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T. KALLUPATTI

LETTERS

Issued by

The Ministry of Community Development in connection with the Pilot Projects

(Cottage & Small Scale Industries)

(Period September 1956 to October 1957)

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THE MINISTRY OF COMMUNITY DEVELOPMENT
Government of India

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PREFACE

This publication contains important communications issued on the programme of Cottage and Small Scale Industries during the period from September 1956 to October 1957.

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1958

CPA/19/11(8)/56-Prg.

GOVERNMENT OF INDIA

COMMUNITY PROJECTS ADMINISTRATION

9, *Jor Bagh*,
New Delhi, the 18*th September*, 1956

To

The Development Commissioners,
Directors of Community Projects,
(All State Governments).

SUBJECT—*Notes of the discussions between the representatives of All India Khadi & Village Industries Board and the Community Projects Administration on* 19-7-56.

SIR,

I enclose herewith a copy of letter dated the 24th July, 1956 from Shri R. Srinivasan, Member-Secretary of All India Khadi & Village Industries Board 101, Queens Road, Bombay, to this Administration together with a copy of the Notes of the discussions between the representatives of All India Khadi & Village Industries Board and the Community Projects Administration held on the 19th July, 1956.

In this connection I am to invite your attention to para 2 of the minutes of the meeting. It is requested that you may kindly have early discussions with the organisation of the State Khadi & Village Industries Board working in your State with a view to opening Branches in the C.P. areas for starting Ambar Charkha Programme. Information regarding organizations of the All India Khadi & Village Industries Board working in your State will be sent to you shortly.

Yours faithfully,

(Sd.) G. F. MANKODI
Deputy Secretary.

COPY TO:—

The Joint Member-Secretary, All India Khadi & Village Industries Board, P.O. Box No. 482, Bombay.

GOVERNMENT OF INDIA

MINISTRY OF PRODUCTION

ALL INDIA KHADI & VILLAGE INDUSTRIES BOARD

101, *Queens Road,*
Bombay-1, *the* 24*th July*, 1956

To

SHRI S. K. DEY,
Administrator,
Community Projects Administration,
Planning Commission,
Rashtrapati Bhavan,
NEW DELHI.

DEAR FRIEND,

I am enclosing herewith a copy of notes of discussions which we had in Vaikuntbhai's house on the 19th July, 1956. I suppose that these discussions and the draft relate only to the Ambar Charkha programme though they may be applicable generally to khadi work also in the Community Project areas. In respect of khadi work activities in the Community Project areas have to be carried on through institutions or Co-operative societies only.

I would like to remind you that in respect of village Industries this procedure need not be followed in general. For Village Industries activities we are giving the funds directly to the Development Commissioners wherever there are no established institutions. The Community Project Officers in the areas will have to create institutions or co-operative societies for working of the Village Industries programmes. Since this is likely to take some time the Community Project staff can take up the funds and start the work themselves through the State Government agencies, if necessary and then try to form institutions or co-operative societies before the year is over. It will be necessary for them to form such societies or institutions during this one year period because the loans they may get will begin to bear interest from the Second year onwards.

I hope this procedure will be acceptable to you.

Yours sincerely,

(Sd.) R. SRINIVASAN

Notes of the discussions between the representatives of the All India Khadi & Village Industries Board and the Community Projects Administration held at 1 P.M. on the 19th July, 1956 at the residence of Shri V. L. Mehta, Chairman, All India Khadi & Village Industries Board at Bombay.

Present:—

1. Shri V. L. Mehta, Chairman, All India Khadi & Village Industries Board;
2. Shri P. S. Kapadia, Secretary, All India Khadi & Village Industries Board;

3. Shri R. Srinivasan, Member Joint Secretary, All India Khadi & Village Industries Board;
4. Shri D. V. Lele, Member-in-charge (Khadi), All India Khadi & Village Industries Board;
5. Shri K. T. Satarawala, Chief Executive Officer, All India Khadi & Village Industries Board;
6. Shri Dhirubhai M. Desai, Director (Training), All India Khadi & Village Industries Board;
7. Shri S. K. Dey, Administrator, C.P.A.;
8. Shri S. P. Mohite, Additional Development Commissioner, Bombay State; and
9. Shri P. M. Mathai, C.P.A.

The discussions were confined generally to the Ambar Charkha programme. Shri Mehta initiated the discussions and raised the issue how C.P.A. could be made available for assisting in the implementation of the programme of Ambar Charkha. Shri Dey in this connection emphasised that C.P.A. is an agency which is not designed to take up direct responsibility of the execution of any programme. He continued that C.P.A. organisation both at the Centre and the States will be made available to create a climate in the project areas and also to render such assistance in the way of co-ordination, but he emphasised that the All India Khadi Board should have its counterparts at the States. Just like the Extension Officer (Agriculture) receives technical assistance as well as supply of seeds and fertilizer from the Director of Agriculture, the Block Level Extension Officer (C.I.) in each block should receive the necessary technical assistance, supply of cotton etc., for the Ambar Charkha programme from the counterparts or representatives of the Board at the States. These representatives of the Board should arrange for the purchase of yarn and other commercial operations. Shri Mehta also raised the question how various village organisations could be used. It was felt that Panchayat was not the suitable agency for taking up any economic activities due to various reasons and also that Government agency is not suitable to take up commercial activities such as marketing.

The following are the main conclusions as a result of the discussions :—

1. C.P.A. at the Centre and the Development Commissioners and their organisation at the State Government level should assist in creating a climate for the Ambar Charkha programme and also would give such necessary co-ordination to contribute to the success of the programme. The Ambar Charkha programme in the C.P. areas should be taken up mainly with a view to have self-sufficiency of cloth in the area, either on local or regional basis. It would be part of the programme to persuade and inspire the population in the area, where this was undertaken, to consume as large a portion of the cloth as possible locally so as to achieve self-sufficiency in the provision of an essential article of consumption.

2. The existing institutions which are already working the Khadi programme in the area or in the neighbouring areas, if any, in the various States, will be approached to open their branches in the C.P. areas for undertaking the Ambar Charkha programme. The All India Khadi & Village Industries Board will inform the C.P.A., the various organisations that

are now existing in the States and are recognised by the Board to undertake this programme. C.P.A. in turn would write to the Development Commissioners requesting them to contact those organisations and persuade them to open their branches in the C.P. areas for starting Ambar Charkha programme. The Board also on its part would write to the organisations to do so. As pointed out by Shri Dey, the Board will as far as possible see that the number of institutions to be nominated in each State will be kept at the minimum since it is difficult for the Development Commissioner to contact many parties or agencies and function smoothly. In case more than one organisation is nominated the Board will define the areas of jurisdiction of those bodies so that the Development Commissioner should be fully aware of it.

3. In case there are no existing institutions or organisations in the States for starting work in the Community Projects Areas, the Community Projects staff will assist in promoting new institutions which are to be registered under the Societies' Registration Act. The All India Khadi Board will furnish model articles of association or rules for the use of these new societies in order to enable them to get registered according to the pattern laid down by the Board. Those institutions will get the necessary assistance for Ambar Charkha programme from the State Board and if that is not feasible, help should be available from the All India Khadi & Village Industries Board direct till such time the State counterpart of the Board is effectively established.

4. As an immediate step, effort should be made to locate Parishramalayas for Ambar Charkha in all the 25 (twenty-five) Pilot Projects, through the existing institutions.

5. Persons for training from the Community Project Areas will be selected with the help of project staff for training in Ambar Charkha in the nearest Vidyalayas run by the Board or its representatives. After training they will be employed by the institutions.

6. It was also felt that the Community Projects can undertake training of persons for Ambar Charkha programme in due course through suitable State agencies.

7. It was further decided that the Community Project staff should persuade any existing multi-purpose society of the area to take up Ambar Charkha programme as one of its activities. The Chairman, All India Khadi & Village Industries Board pointed out that some simplified rules had been framed by the All India Spinners' Association in 1943-44 for undertaking such activities by multi-purpose or spinners' societies and a copy of that should be supplied to the C.P.A., with a view to bring that to the notice of the State Governments to make use of it, if possible, in order to enable the multi-purpose society to take up this activity without much complications of the normal co-operative rules and regulations.

The Chairman, All India Khadi & Village Industries Board will write to the C.P.A. on these agreed lines and then C.P.A. will take up the matter further with the State Governments. The Board also will likewise take it up with the State Boards and organisations in the States.

CD99/1

No. MCD/19/IV(1)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

9, Jor Bagh,

New Delhi, the 6th October, 1956

To

The Development Commissioners/
Directors of Community Projects,
(All State Governments).

SUBJECT—*List of Industries proposed to be encouraged by All India Handicrafts Board.*

SIR,

I enclose a list of Industries proposed to be encouraged by the All India Handicrafts Board together with a note on general principles followed by them for rendering financial assistance to State Governments for Handicraft schemes. The Board will entertain as a matter of general principle a scheme which relates to the development of a craft traditionally existing in the area and also a new handicraft for which raw materials are available ensuring its success as a commercial proposition.

2. It is, therefore, requested that the schemes of the State Governments, if any, may please be submitted to the All India Handicrafts Board under intimation to this Ministry at the earliest and in any case not later than the 31st October, 1956 as the Board would not entertain any fresh schemes for the current year after that date.

Yours faithfully,

(Sd.) I. R. KAKAR

Under Secretary to the Government of India.

COPY FORWARDED FOR INFORMATION TO:
The All India Handicrafts Board,
Janpath 'A' Barracks,
New Delhi.

General principles followed by the All India Handicrafts Board for recommending financial assistance to the State Governments for Handicraft Schemes.

On the recommendation of J.S., C. & I. Ministry, which said that these proposals had the approval of C.I.M. it was decided that the schemes should be categorised in the following manners:—

2. *Category—I. Purely developmental*, i.e. those who do not bring in any return or the return is negligible. On the analogy of research and training schemes which will constitute the greater part of such schemes it was agreed that the Central Government should give 100% assistance both in regard to recurring as well as non-recurring expenditure. Reasonable working capital adequate for the scheme may also be given as a grant instead of a loan.

3. This was agreed to subject to the following conditions :—

(*a*) where expenditure on land and buildings formed a considerable proportion of the total expenditure, the amount of Central contribution in the case should be examined on merit; and

(*b*) 100% grant on the lines indicated above should be given if the State Government as its contribution agrees to supervise the scheme and to send progress reports at specified intervals or failing which, the Ministry is prepared to arrange for supervision of the progress and proper utilisation of the funds. For this purpose D.M.(S) agreed to consider favourably the appointment of additional staff.

Category—II. Semi-commercial but mainly development schemes.

4. These schemes would be such where the emphasis is on development but there is a higher return than that in Category I. In such cases, the following formula should be adopted:—

(*a*) 100% grant may be given for non-recurring expenditure on equipment & tools;

(*b*) recurring expenditure should be shared in the ratio of 50 : 50; and

(*c*) working capital should be given in the form of a loan, though if the amount required for this purpose is small, say not exceeding Rs. 5,000/- it may be given 50% as a grant and 50% as a loan, provided the return from the scheme is nominal. If the amount of working capital required is more, or the return is more than nominal the whole of it should be given as a loan, although exceptional cases will be considered on merits.

Category—III. Purely commercial.

(*a*) recurring and non-recurring expenditure should be shared in the ratio of 50 : 50; and

(*b*) working capital should be in the form of a loan.

5. On a suggestion from Shri U. S. Malliah, it was decided that the categorisation of the Board should normally be considered to be final but if there was a difference of opinion, the matter should be submitted for the consideration of the DM(S).

6. Loans are to be given only through State Governments unless it was possible to utilise the agency of land mortgage banks or co-operative banks for this purpose. Adequate safeguard should be taken to ensure the return of the loan.

7. On the question whether the presence at a meeting of the representative of the Finance Ministry should be considered as acceptance of the decisions taken by the Board or the Executive Committee, it was explained that under the existing procedure the Finance Ministry expressed its views only after the Board's recommendations had been considered by the C. & I. Ministry. If, however, the representatives of the two Ministries received the detailed schemes in a complete form at least 7 days before the date of the meeting, it should be possible for them to have a joint discussion and to express their final views at the meeting after they had known the views of the members of the Board or the Executive Committee. In all other cases they will have the right to examine the proposals after the Board/Executive Committee have taken decision.

APPENDIX 'F'

(Revised List of Handicrafts)

Textiles	Hand-printing and traditional dyeing of textiles. Brocades. Himroo. Carpets and druggets. Rugs, gabbas and namdas Embroidery (cotton, silk, wool and zari). Lace and lace work including nakki and gota making. Shawls.
Metalware	Silver and gold ware. Bidri. Filigree. Brassware and copperware. Bronze work.
Wood Work	Wood carving and inlay. Lacquer work including nirmal work. Decorative furniture.
Ceramics	Pottery and earthenware.
Stonework	Stone-carving including marble work and alabaster.
Toys	Dolls, and toys other than mechanical toys.
Leather	Leather goods.
Ivory	Ivory carving.
Papier-machie	Papier-machie articles.
Horn	Horn.
Bone	Bone.
Cane, bamboo, etc. ..	Articles made of cane, bamboo, willow, straws and grass including mats and pithcraft.
Incense & Perfumery ..	Incense and perfumery.
Flax & Fibre	Handicraft articles made of flax and fibre.
Bangles & Beads	Bangles & Beads.
Musical Instruments ..	Musical instruments.
Conch-shell and semi-precious stones	Articles made of conch-shell and semi-precious stones.
Miscellaneous	Miscellaneous traditional art objects such as Orissa, Mysore and Tanjore paintings, and handicraft products specially made for ceremonies, articles of worship and theatrical requisites such as costumes, masks, puppets, etc.

No. 19/III(2)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

9, *Jor Bagh,*
New Delhi, the 24th October, 1956

To

The Community Project Officers (Industries),
All State Governments except Coorg, NEFA and Manipur.

SUBJECT—*Supply of Sewing Machines on hire-purchase basis.*

SIR,

Please refer to the National Small Industries Corporation Ltd. letter No. DC/SIC/9(36-CP)/56 dated 1/4-9-1956 regarding supply of sewing machines on hire-purchase basis (copy enclosed for ready reference). As the implementation of this scheme will involve considerable responsibility on either side, it is considered that the following procedure should be followed by all Community Project Officers (Industries):—

(*a*) Applications for machines will be received and primarily scrutinised by the Community Project Officer (Industries) who will have the discretion of accepting or rejecting any application. All copies of applications whether rejected or accepted should be forwarded to the Corporation for its record. The Corporation being the owner of the machines, will formally approve the action of the Community Project Officers in each case.

(*b*) The hire-purchase agreement bonds will be executed by these Officers on behalf of the Corporation.

(*c*) The Community Project Officer (Industries) will arrange for collection of earnest money and periodical instalments.

(*d*) Receipts for the monies collected from the hirers will be issued by the Officers on behalf of the Corporation. The amounts so collected may be remitted to the Corporation once a month, supported by a statement of account which should reach the Corporation by the 7th of the succeeding month.

(*e*) Periodical inspection of the machines with the women to whom they have been supplied and despatch of such inspection reports to the Corporation.

Please acknowledge receipt.

Yours faithfully,

(Sd.) I. R. KAKAR
Under Secretary.

COPY TO :—

Ministry of Commerce & Consumer Industries (Dr. P. C. Alexander), New Delhi.

(Sd.) I. R. KAKAR,
Under Secretary.

THE NATIONAL SMALL INDUSTRIES CORPORATION LTD.

A GOVERNMENT OF INDIA CONCERN

27, *Sundar Nagar*,
New Delhi, the 1/4*th September*, 1956

Ref. DC/SIC/9(36-CP)/56

To

SHRI I. R. KAKAR,
Under Secretary to the Govt. of India,
Community Projects Administration,
NEW DELHI.

SUBJECT—*Supply of Sewing Machines on hire-purchase basis.*

DEAR SIR,

Kindly refer to your letter No. 19/III(2)/56-Prg., dated the 16th August, 1956, wherein you have asked us to state the latest position in respect of the requirements of the States for the Sewing Machines and the reactions of all the State Governments regarding the scheme being implemented satisfactorily in the Community Project Areas.

We have received encouraging reports from various State Governments regarding the supply of Sewing Machines on hire-purchase basis to the women in low income group, in the pilot project areas. With the exception of 4 Community Project Officers, all the rest have either put in their definite requirements or negotiations are proceeding with them.

Out of the 25 pilot project officers, 10 have put in their definite requirements, against which orders have been placed with M/s. Jay Engineering Works Ltd., Calcutta to supply the Sewing Machines to the following officers:—

	No. of Machines requisitioned	*No. of Machines ordered*
1. Shri N. H. Rajkumar, Community Project Officer, Neyyattinkara (T.C. State)	4	4
2. Shri Gurbachan Singh, Community Project Officer Malerkotla	200	50
3. Shri K. J. Somasundaram, Erode, Madras	50	25
4. Shri P. K. Patnaik, Bhanganagar	20	25
5. Shri S. Sinha, Biharshariff, Distt. Patna	75	50
6. Shri Jagdish Parshad Govil, Deohand, Distt. Saharanpur ..	100	50
7. Shri Partap Rai Shrivastava, Bhopal	100	50
8. Shri S. K. Roy, Baruipur	25	25
9. Shri R. P. Shukla, New Mint Road, Bhuj-Kutch	100	50
10. Shri Bejindra Chandra Chakravarti, Brindranagar Distt. Tripura	15	10

Out of 339 machines ordered, 200 machines have been despatched to the following Community Project Officers:—

1. Shri Gurbachan Singh, Community Project Officer, Malerkotla ..	50
2. Shri S. Sinha, Biharshriff, Distt. Patna	50
3. Shri Partap Rai Shrivastava, Bhopal	50
4. Shri Jagdish Parshad Govil, Deoband Distt. Saharanpur	50
TOTAL ..	200

M/s. Jay Engineering Works, Calcutta, are being pursued for further supply to the remaining areas. Negotiations are proceeding with 11 more Community Project Officers for the supply of Sewing Machines. They have been requested to intimate their requirements. The names are given below:

1. Shri H. G. Bhutani, R.A.S., Community Project Officer, Sanganer, Distt. Jaipur.
2. Shri K. D. Mehta, B.Sc., Rang Mahal, Junagadh.
3. Shri S. S. Gill, I. A. S., Sohawal, Distt, Santa, Madhya Pradesh.
4. Shri R. C. Sahni, Kolhapur.
5. Shri Sarat Chandra Baruat, Darrang (Assam).
6. Shri T. V. Raghava Rao, Kakinada, East Godavari Distt.
7. Shri S. B. Gupta, Dabra (C. Rly.), Madhya Bharat.
8. Shri R. S. S. Rao, Amravati Camp (M.P.).
9. Shri Yeshoda Nand Kapur, Batala, Distt. Gurdaspur.
10. Shri G. V. Dharma Reddy, Mulug, Distt. Warangal.
11. Shri M. O. Rahmankhan, c/o Development Commissioner, Bangalore.

We have received no response from the following 4 Community Project Officers, who are being reminded against:

1. Shri Mohd. Shafi, Community Project Officer, Budgam, Kashmir.
2. Shri Hem Chand, Mandi (H.P.).
3. Shri Suraj Balraj, Community Project Officer, Delhi State.
4. Shri P. N. Pradhan, c/o The Chief Secretary, Ajmer.

Yours faithfully,

(Sd.) J. D. KHOSLA
Dy. Manager, H.P.

No. MCD/20/11(13)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

(COMMUNITY PROJECT ADMINISTRATION)

9, *Jor Bagh,*
New Delhi, the 30*th October,* 1956

To

The Development Commissioners/
Directors of Community Projects,
(All State Governments except Coorg & N.E.F.A.).

SUBJECT—*Procedure in sanction of funds from All India Khadi & Village Industries Board—Pilot Projects (Cottage & Small Scale Industries).*

SIR,

I enclose a copy of letter No. PL/PR/12(1)/626, dated the 20th September, 1956 and No. PL/PR/4(1)/II, dated the 22nd September, 1956

from Chief Executive Officer and Member Joint Secretary, All India Khadi & Village Industries Board, respectively for necessary action.

Please acknowledge receipt.

Yours faithfully,

(Sd.) I. R. KAKAR
Under Secy. to the Govt. of India.

COPY TO:—

1. Chief Executive Officer, All India Khadi & Village Industries Board, Mistry Bhavan, 6th Floor, Dinshaw Watchha Road, Post Box No. 482, Bombay, with reference to his letter No. PL/PR/12(1)/626 dated the 20th Sept., 1956.
2. Directors of Industries (All States except Coorg & N.E.F.A.).
3. Registrars of Co-operative Societies (All States except Coorg & N.E.F.A.).
4. Community Project Officers (Industries) All Pilot Projects.
5. Members of Action Committee.

(I. R. KAKAR)

ALL INDIA KHADI & VILLAGE INDUSTRIES BOARD
(COMMUNITY PROJECT ADMINISTRATION)

Mistry Bhavan, 6th Floor,
Dinshaw Watchha Road,
Post Box No. 482,
Bombay, the 22nd September, 1956

D.O. No. PL/PR/4(1)II

SUBJECT—*Applications of Co-operative Societies and/or Registered Institutions working in Community Project Areas for grant of funds, procedure to be followed to.....*

As per the present practice, this Board for the purpose of granting funds to Co-operative Societies for development of Village Industries under its purview, has to obtain the recommendations of the Registrar of Industrial Co-operatives or officers subordinate to him, even in case the applications are recommended by Community Project Officers (Industries). This procedure may result in delay in payment of funds to the Societies concerned.

With a view to mitigate this delay it has been decided to follow the undermentioned procedure by this Board in cases of such applications.

Where a Community Project Officer (Industries) has scrutinised the applications for loan etc. of a Co-operative Society situated in the Pilot Project or Community Development Area and recommended with the signature of the officer of the Co-operative Department thereon, there will be no necessity for this Board to again refer to the State Registrar of Co-operative Societies for his recommendations. In case it is not possible for the Community Project Officer (Industries) to obtain a signature of the officer of Co-operative Department it will suffice if Community Project Officer (Industries) certifies that the application for loan etc., was shown by him to the officer of Co-operative Department and that the latter has agreed to the grant of loan etc. applied for.

I hope the above mentioned procedure will save much time spent in getting funds from this Board. You will hear officially in this regard from Community Projects Administration, New Delhi to whom the decision is officially passed on.

Yours sincerely,

(Sd.) R. SRINIVASAN

ALL INDIA KHADI & VILLAGE INDUSTRIES BOARD
(COMMUNITY PROJECT ADMINISTRATION)

Mistry Bhavan, 6th Floor,
Dinshaw Watchha Rd., P.B. No. 482,
Bombay.

*No. PL/PR/*12(1)/626

To

The Secretary,
Community Project Administration,
9, Jor Bagh, NEW DELHI.

SUBJECT—*Applications of Co-operative Societies and/or registered Institutions working in Community Project Areas for grant of funds, procedure to be followed to.....*

SIR,

According to the present practice followed by this Board for the purpose of grant of loans etc. to Co-operative Societies for development of village industries under this Board's purview recommendations of the Registrar of Industrial Co-operatives or Officers subordinate to him are obtained. A question has arisen about the procedure to be followed in connection with the Co-operative Societies, etc. whose applications for sanction of funds by the Board are recommended by the Community Project Officers or other officers under the Community Project Rdministration. It is felt that if such applications received from the Community Project Officers are referred to the Registrar of Industrial Co-operatives or his Officers for their remarks a great deal of time will be spent with the result that execution of the development programmes by the institutions concerned will be delayed.

2. It is understood that in each Project area, along with the Community Project Officers services of Officers of both the Industries and the Co-operative Departments of the State Government are associated. With a view therefore to mitigate the delay in consideration of the applications of Co-operative Societies situated in the Pilot Project or other Community Development Blocks, it is decided by the Board that where a Community Project Officer has scrutinised the application for loan etc. of a Co-operative Society and recommended with the signature of the Officers of the Co-operative Department thereon there will be no necessity for the Board to again make a reference to the State Registrar of Co-operative Societies for his recommendations. In case it is not possible for the Community Project Officer to obtain the signature of the Officer of the Co-operative Department it will suffice if the Community Project Officer certifies that the application for loan, etc. was shown by him to the Officer of the Co-operative Department who has no objection to the grant of loan etc. applied for.

3. I am, therefore, to request you to issue necessary instructions to the Community Project Officer through the State Development Commissioners requesting them to follow the above procedure while recommending application of Co-operative Societies working in their respective areas.

4. Action taken in this regard may please be intimated to this office.

5. It may be stated that Shri R. Srinivasan, Joint Member-Secretary of the Board, in charge of the Board's work in the Community Project Areas desires to write demi-officially to all Community Project Officers and Development Commissioners bring to their notice the above procedure decided upon by the Board. A copy of the letter that may be issued by him will be sent to you for information.

Yours faithfully,

(Sd.)K. T. SATARAWALA
Chief Executive Officer

No. MCD/19/XI(13) (1)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

(COMMUNITY PROJECT ADMINISTRATION)

9, *Jor Bagh,*
New Delhi, the 6th November, 1956

To

The Development Commissioners,
(All State Governments except N.E.F.A.).

SUBJECT—*Survey of 12 selected C.P.A. pilot project areas by the Industrial Economic Investigation teams—Drawing up a long range plan.*

SIR,

In accordance with the recommendations made by the Development Commissioners' Conference held at Nainital in May, 1956 Ministry of

Commerce & Consumer Industries have appointed 12 teams each consisting of 2 economists and one engineer, for undertaking survey of pilot projects, (cottage and small scale industries). These teams have received an orientation training conducted by the Development Commissioner, Small Scale Industries Board, Ministry of Commerce & Consumer Industries and they have gone into the field to undertake survey of the pilot projects.

2. These teams will immediately take up 12 pilot projects for survey and later on the other projects also will be surveyed by them.

3. The list of 12 pilot projects selected for survey in the first instance and the names of junior field officers assigned for the purpose are given in the attached list. These junior field officers are attached to the four Regional Institutes of Small Scale Industries Board. Names of the Deputy Directors and Assistant Directors who will be assigned for this survey will be forwarded to you in due course.

4. The purpose of the survey is to assess the potentialities for development of industries and draw up a comprehensive plan for industrial development. In this connection a copy of letter No. DC/DDO(J)/2/56 dated the 22nd October, 1956 from the Office of the Development Commissioner, Small Scale Industries Board is also attached for your information.

5. You are requested to give these visiting officers necessary facilities for carrying out the work entrusted to them. It is hoped that the Community Project Officer (Industries), Director of Industries and other concerned Staff will give their full co-operation and assistance as may be required of them.

Yours faithfully,

(Sd.) I. R. KAKAR
Under Secretary to the Govt. of India.

COPY TO:—

1. The Development Commissioner, Small Scale Industries Board, Shahjahan Road, New Delhi.
2. Directors of Industries (All State Govts. except N.E.F.A.).
3. C.P.O. (Industries).

(Sd.) I. R. KAKAR
Under Secretary to the Govt. of India.

List of Junior Field Officer assigned to C.P.A. Pilot Project Areas.

Project area	Names of officers	Economist or Engineer
(a) Western Region—		
(1) Karveer and Panhala Tehsils, Kolhapur Distt., Bombay.	(*i*) Shri K. A. Kalghatgi (*ii*) Shri C.G. Kudwa (*iii*) Shri K. G. Bhatt	Economist Economist Engineer
(2) Manavdar and Vanthali Tehsils, Sorath Distt., Saurashtra.	(*i*) Shri S.V. Joshi (*ii*) Shri M. C. Shetty (*iii*) K. B. Kanekar	Economist Economist Engineer
(3) Goharganj Hazoor Sehore Ichhawar Tehsils (Sehore and Raison Distt., Bhopal.	(*i*) Shri A.D. Monteiro (*ii*) Shri P. N. Sarin (*iii*) Shri G.B. Luthria	Economist Economist Engineer
(b) Southern Region—		
(1) Erode Gobi Bhavani Dharampuram Tehsils, Coimbatore Distt., Madras.	(*i*) Shri C. Radhakrishnan (*ii*) Shri S.N. Raghavan (*iii*) Shri V. Ramchandran	Engineer Economist Economist
(2) Kakinada and Peddapuram Taluks, East Godawari Distt., Andhra.	(*i*) Shri N.G.V. Subramanyam (*ii*) Shri I. V. Rangarao (*iii*) Shri T.R. Rajagopalan	Economist Economist Engineer
(3) Neyyattinkara and Vilavancode taluks, Trivandrum Distt., Travancore Cochin.	(*i*) Shri K. Venkatanarayanan (*ii*) Shri R. Vijayaraghavan (*iii*) Shri K. A. Krishnan	Engineer Economist Economist
(c) Northern Region—		
(1) Batala Tehsil, Gurdaspur Distt., Punjab.	(*i*) Shri L. D. Chug (*ii*) Shri Amrit Kumar	Economist Economist
(2) Dhuri Tehsil, PEPSU	(*i*) Shri K. C. Chopra (*ii*) Shri T. N. Raina	Economist Economist
(3) Deoband Tehsil, Distt., Saharanpur, U.P.	(*i*) Shri M. G. Malpani (*ii*) Shri R. N. Chadha	Economist Economist
(d) Eastern Region—		
(1) Baruipur Block, Distt., 24 Parganas, West Bengal.	(*i*) Shri D. Upadhya (*ii*) Shri D. K. Roy (*iii*) Shri P. K. Dey	Economist Economist Engineer
(2) Russelkonda Project, Gunjam Distt., Orissa.	(*i*) Shri K. Debnath (*ii*) Shri B. Maity (*iii*) Shri S. Chakraborty	Economist Economist Engineer
(3) Ekangar Sarai Barbhigha Area, Bihar.	(*i*) Shri S. Prasda (*ii*) Shri I. B. Sarkar (*iii*) Shri N.C. Dey	Economist Engineer Engineer

TELEGRAMS : "SMALLBOARD" NEW DELHI.

D.O. NO. DC/DDO(J)/2/56

OFFICE OF THE DEVELOPMENT COMMISSIONER
SMALL SCALE INDUSTRIES
(MINISTRY OF COMMERCE & CONSUMER INDUSTRIES)
SHAHJAHAN ROAD,
New Delhi, the 22nd October, 1956.

SUBJECT—*Survey of* 12 *selected C.P.A. Pilot Project Areas.*

DEAR SHRI MATHAI,

We had detailed discussions with Dr. Dhar, Dr. Nath and Dr. Tiwari on the 6th and 11th September, 1956, wherein the points relating to the survey of 12 seleced C.P.A. pilot project areas and the information to be collected by our teams in these areas were discussed. It was suggested by your officers that we should collect the following information in the selected areas :—

(1) Broad pattern of occupational distribution of population with special reference to the persons engaged in various cottage and small scale industries;
(2) Distribution of population by age and sex;
(3) Extent of unemployment and under-employment;
(4) Aptitude of the unemployed and under-employed towards various types of unemployment;
(5) Pattern of consumer expenditure in the area covered;
(6) Nature of trade, particularly in consumer goods in the area covered and in the near vicinity; and
(7) Potentialities of developing new industries and promoting the expansion of existing industries in the area in terms of facilities available locally.

We have had detailed discussions at this end, with Dr. Staley and Dr. Ewell, our consultants, and the officers-in-charge of the survey work as to how far we can go in meeting your requirements. It was decided that our teams should take up mainly the study of industrial development potentialities in the selected areas. They can also give an impressionist report on the pattern of consumer expenditure and the nature of trade in the selected areas. We feel that our services will be more useful to your organisation if only we confine ourselves to the work mentioned above.

I may briefly mention here the points that led us to decide our programme of work as noted above. I hope you are aware of the techniques of industrial economic investigation suggested by Dr. Staley which are being followed by our teams. The teams have been specially trained in industrial economic investigation and in preparing reports based on rapid field studies consistent with reaching reasonably valid conclusions. Our surveys are not carried on strictly in accordance with the statistical methods and practices, our objective being a qualitative analysis of the area's development potentialities rather than a purely quantitative and statistical study. We do not have at present, assistants with special statistical training. Further, collection of detailed statistical data would involve considerable time,

and we felt that the preparation of area survey reports within the minimum possible time may be useful in your planning the industrial development in these selected areas.

The teams in the various Regional Institutes have, therefore, been instructed to proceed on the lines suggested above.

I enclose for your information a list of the officers assigned to the survey of C.P.A. pilot project areas in the different Institutes.

I will be grateful if you could write to the various Development Commissioners and instruct them to give our survey teams all the facilities they might need. A draft letter for this purpose has also been enclosed.

Yours sincerely,

(Sd.) C. JAGANNATHACHARI
Dy. Development Officer.

SHRI P. M. MATHAI,
Officer on Special Duty,
Ministry of Community Development,
9, Jor Bagh,
New Delhi.

No. MCD/28(28)/56-TG

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 8th November, 1956.

To

The Development Commissioners,
(All State Governments).

SUBJECT—*Training of Extension Officer (Industries)*

SIR,

The Fifth Development Commissioners' Conference held at Nainital in May, 1956 had recommended that training programme undertaken by the Ministry of Commerce & Consumer Industries and Ministry of Production should be expanded in order to train the requisite number of Extension Officers (Industries) for all Community Development Blocks and N.E.S. areas. It was also recommended that a common course of integrated training should be given to all these officers.

2. Pursuant to this recommendation this Ministry took up the matter with Ministry of Commerce and Consumer Industries and Ministry of Production, as also with the representatives of the All India Khadi & Village Industries Board. This matter was also considered by the Action Committee. As a result of these discussions it has now been decided that the

6 months, course at Small Industries Services Institutes be reduced to 4 months, and the Khadi Gram Udyog Maha Vidyalaya's course be reduced from 12 months to 8 months, so as finally to have an integrated training programme extending for a total period of 12 months (4 months, 8 months) for each Extension Officer. The training for an initial period of 4 months will be given in the various Small Industries Service Institutes under the Small Scale Industries Board and the remaining 8 months in the Khadi Gram Udyog Maha Vidyalayas organised by the All India Khadi & Village Industries Board.

3. Ministry of Commerce & Consumer Industries in their letter No. 30-L.I(B)(49)/56, dated the 19th October, 1956 (copy enclosed for ready reference) had intimated to the State Governments that Central Government would be prepared to share 50% of the expenditure on the salaries and allowances of all the additional officers employed by the State Governments as part of their Industries Department set up. The Extension Officer (Industries) is included as one of the functionaries in this additional staff. The Ministry had further suggested that these Extension Officers should be appointed on probation, before they are sent out for training. During the training period these officers could be paid their regular salaries instead of stipend and that 50% of the expenditure on their salaries and allowances during this period of training would also be borne by the Central Government.

4. In view of this it is suggested that the State Governments may consider so appointing these Extension Officers on probation to be confirmed on successful completion of training and then sent up to the various training centres.

5. This integrated training will be operative from the next course at the Small Industries Service Institutes commencing from the 15th November, 1956 for which officers have already been deputed. These officers after their 4 months, training at these Institutes will go for further course of 8 months at the Khadi Gram Udyog Maha Vidyalayas organised by the All India Khadi & Village Industries Board. This would require modification to any instructions that the State Governments might have issued to the trainees regarding the period of their training, raising it from 6 months to 12 months.

6. The receipt of this letter may kindly be acknowledged.

Yours faithfully,

(Sd.) G. F. Mankodi
Deputy Secy. to the Government of India.

Copy to :—

1. Ministry of Commerce & Consumer Industries, New Delhi.
2. Ministry of Production, New Delhi.
3. Director, Small Industries Service Institute, 56, Sundar Nagar, New Delhi.
4. Director, Small Industries Service Institute, 56, Theatre Road, Ground Floor, Calcutta—16.

5. Director, Small Industries Service Institute, 40-40-A Cawasjee Patel Street, Fort, Bombay.
6. Director, Small Industries Service Institute, 23, Nungambakkam High Road, Madras-6.
7. The All India Khadi & Village Industries Board, Mistry Bhavan, Dinshaw Watchha Road, Bombay.
8. Director, (Training), All India Khadi & Village Industries Board, Mistry Bhavan, Dinshaw Watchha Road, Bombay.
9. Principals of Khadi Gram Udyog Maha Vidyalayas, Nasik, Nilokheri, Wardha, Kallupatti, Ahemedabad.
10. Principals of Development Officers Training Centres, Nilokheri/Ranchi/Himatsagar.
11. Directors, Social Education Organisers Training Centres.

IMMEDIATE

No. 38-L.I.(B)49/56

(COPY)

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND CONSUMER INDUSTRIES

New Delhi, the 19th October, 1956.

FROM

SHRI P. K. CHAKRAVARTI, I.A.S.,
Deputy Secretary to the Govt. of India.

To

All State Governments.
(Except Coorg and NEFA)

SIR,

I am directed to refer to Section 3 of Office Memorandum No. 52-S.S.I (66)/55, dated the 4th June, 1955 of the late Ministry of Commerce and Industry, wherein the Central Government undertook to bear 50% of the expenditure on the salaries and allowances (excluding T. A.) of all *additional* staff (excepting those employed for handloom industry) employed by the State Government on small scale industries.

2. It has been represented by Ministry of Community Development (C.P.A.) that the State Governments are experiencing difficulties in providing Extension Officers (Industries) for village and small-scale industries in the N.E.S. and C.D. Blocks situated in their States. It is, however, imperative that each N.E.S. and C.D. Block should be provided with one Extension Officer (Industries). It is, therefore, requested that immediate steps may please be taken by all State Governments to strengthen their staff in the Industries Department with a view of providing these Extension Officers for village and small scale industries in the N.E.S. and C.D. Blocks in their States. It is understood that these Extension Officers would be borne on the cadre of Industries Departments of State Governments. The Central

Government will be prepared to bear 50% of the expenditure on the salaries and allowances (excluding T.A.) of all these additional officers employed by the State Governments in the N.E.S. and C.D. Blocks. These Extension Officers (Industries) should be appointed, on probation, and sent on training. During the period of training also the Central Government would bear 50% of the expenditure on salaries and allowances (excluding T.A.) of these officers.

3. I am to request that immediate steps may kindly be taken for recruitment of this additional staff as the integrated training course for one year arranged by the Small Industries Service Institutes of this Ministry and the Mahavidyalayas of the All India Khadi & Village Industries Board of these Extension Officers (Industries) will commence on the 15th November, 1956.

Yours faithfully,

(Sd.) P. K. CHAKRAVARTI
Deputy Secretary to the Government of India.

No. MCD/19/XI (58)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

(COMMUNITY PROJECTS ADMINISTRATION)

9, Jor Bagh,
New Delhi, the 16th November, 1956.

To

The Development Commissioners,
(All State Governments except N.E.F.A.).

SUBJECT—*Schemes for Village and Small-Scale Industries in the Pilot Projects—matching contribution.*

SIR,

At the meeting of the Central Action Committee for the Pilot Projects (Cottage and Small Scale Industries) it was pointed out that the sanction of schemes in the Pilot Projects was delayed on account of the difficulties raised by the State Governments about providing necessary matching contributions in accordance with the accepted pattern of assistance. The Planning Commission have recently issued detailed instructions to the State Governments regarding providing necessary matching contributions by them. A copy of their Circular letter No. PC(CI)XX(18)(I)/55-56 dated 9-10-56 in this connection is forwarded herewith for information and necessary action.

Yours faithfully,

(Sd.) ABID HUSSAIN
Under Secy. to the Govt. of India.

COPY TO :—

1. The Planning Commission (Dr. D. K. Malhotra), New Delhi.
2. Community Project Officer (Industries), All State Governments.

No. PC(CI)XX(18)(I)/55-56

GOVERNMENT OF INDIA

PLANNING COMMISSION

25, *Akbar Road,*
New Delhi, the 9th October, 1956.

To

The Chief Secretaries,
(All State Governments except Kutch,
Coorg and N.E.F.A.).

SUBJECT—*Schemes for Village and Small Industries in the Pilot Projects—matching contribution.*

SIR,

At the meeting of the Action Committee for the Pilot Projects (Cottage and Small-Scale Industries) at the Centre held on the 27th August, 1956, it was pointed out that the sanction of schemes in the Pilot Projects was delayed on account of the difficulties raised by the State Governments about providing necessary matching contribution in accordance with the accepted pattern of assistance. These difficulties were reported to have arisen because the Pilot Projects were not included in the State plans and the State Governments were, therefore, unable to provide funds for the matching contributions for the schemes of village and small-scale industries. This matter has been examined in the Planning Commission and it is felt that the position in regard to the schemes of village and small-scale industries already included in the State plans and those proposed subsequently for inclusion requires to be stated clearly. This may enable the State Governments to review and, where necessary, adjust or re-arrange the schemes included in the State plans within the framework of total allocations for the various industries.

2. It is well known to the State Governments that the allocations for the village and small-scale industries in the revised State plans were subject to revision in the light of the recommendations of the Village and Small-Scale Industries Committee (Karve Committee). Recently there have been other developments also including the announcement of the new textile policy and these had to be taken into account while working out the revised allocations for the States. The revised allocations are expected to be finalised and intimated to the State Governments by the end of October, 1956.

3. There should be flexibility and room for adjustment of schemes within the allocations for the various industries. In the light of such priorities as may be determined as well as other factors bearing on the implementation of the Plan, the State Governments may find it necessary to drop or modify some of the schemes already included in their revised Plans or to include new ones. The Schemes proposed for the Pilot Projects (Cottage and Small-Scale Industries) are among those to which high priority should be accorded.

4. The State Governments are, therefore, requested kindly to examine the schemes for village and small industries in the light of the observations

made above and consider the inclusion of schemes in the Pilot Projects according to the high priority attaching to them.

The receipt of this letter may kindly be acknowledged.

Yours faithfully,

(Sd.) D. K. MALHOTRA
Deputy Secy. to the Government of India.

COPY TO :—

(1) The Ministry of Community Development, New Delhi. (Shri G. F. Mankodi).

(2) The Ministry of Commerce & Consumer Industries, New Delhi. (Dr. P. C. Alexander).

(3) The Ministry of Production, New Delhi (Mrs. P. Johari).

COPY ALSO FORWARDED TO :—

(*i*) The Secretaries, 6, All India Boards.

(*ii*) Development Commissioners of All State Governments (excepting Coorg, N.E.F.A. and Kutch).

No. MCD/28(28)/56-TG

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

(COMMUNITY PROJECTS ADMINISTRATION)

New Delhi, November 22, 1956.

To

The Development Commissioners/Directors of Industries of All State Governments.

SIR,

As you are aware, it has been decided to integrate the training of Extension Officers (Industries) at the four Small Industries Service Institutes at Bombay, Delhi, Madras and Calcutta, and at the institutions of Khadi & Village Industries Board at Nasik, Kallupatti, Ahmedabad, Nilokheri and Wardha, so that each Extension Officer (Industries) would get a total training of 12 months—4 months at the Service Institute and 8 months at the Khadi Board's Vidyalayas.

The Khadi Maha Vidyalaya at Nilokheri is commencing training on the 14th November and admitting a batch of trainees for a period of 8 months. Training of a batch has already commenced on 15th August at Wardha. Nasik, Kallupatti and Ahmedabad are continuing training of their existing batches, which will be over by the end of November.

The future arrangement is that a trainee would first be admitted to one of the four Small Industries Service Institutes and after taking four months training there, he would go to one of the Khadi Board's Vidyalayas for a further period of 8 months training in Khadi & Village Industries.

The fresh batches of trainees will be first admitted at each of the four Small Industries Service Institutes on 15th November, 1956, for a period of four months and they will be admitted to the Khadi Board's institutions at Nasik, Ahmedabad and Kallupatti some time in mid March, 1957. It will thus be seen that for a period of 3½ months, *i.e.*, from beginning of December, 1956 to the middle of March, 1957, the three institutes at Nasik, Kallupatti and Ahmedabad, would be in a position to give a short-term intensive course in Khadi & Village Industries to such of the trainees as have already finished the training at any of the Service Institutes prior to December, 1956.

It is intended to utilise the available teaching capacity of these three institutes for a period of three months commencing on 15th December, 1956, and ending on 15th March, 1957. Enclosed is the list (Annexure I) giving the number of persons who have been trained in the first and second courses at the four Small Industries Service Institutes so far. The total comes to 143. The training capacity of the three Centres is 170. It would, therefore, be highly desirable to utilise fully this training capacity by sending the Extension Officers (Industries) from the various States, as indicated in the Annexure for getting the intensive short-term training in Khadi & Village Industries at the three said Centres. In the Annexures, the names of the old States prior to re-organisation, have been mentioned with a view to give a clear idea of the trainees trained from those areas.

I shall be grateful if you will kindly make arrangements, so that your trainees could report to the Training Centres as indicated in Annexure (II). Should there be any particular difficulty in case of any individual officers, the State Governments may take such decision as they think desirable but this Ministry would earnestly request the State Governments kindly to ensure utilisation of this training capacity as stated above.

Yours faithfully,

(Sd.) G. F. Mankodi
Deputy Secretary.

Copy to :—

(1) The Ministry of Commerce & Consumers Industry, New Delhi.
(2) The Ministry of Production, New Delhi.
(3) The All India Khadi & Village Industries Board, Queens Road, Bombay.
(4) The Director, Small-scale Industries Board, New Delhi.
(5) The Principal, Khadi Gramodyog Vidyalaya, P.O. Trymbak Vidya Mandir, Distt. Nasik.
(6) The Manager, Khadi Gramodyog Vidyalaya, Gujrat Vidyapith, Ahmedabad-14.
(7) The Manager, Gandhi Niketan Ashram, T. Kallupatti (Madras).

(Sd.) G. F. Mankodi
Deputy Secretary.

ANNEXURE I

List showing number of trainees of different States already trained at Small Industries Service Institutes before 15th December, 1956, and who could be sent out for 3 months training from 15th December, 1956.

I Course (1-8-55 to 15-3-56)		*II Course* (15-3-56 *to* 15-9-56)	
Calcutta—			
Orissa	6	West Bengal	3
Bihar	8	Orissa	6
Assam	5	Assam	4
Manipur	1	Manipur	1
Tripura	1	Tripura	1
		Bihar	7
TOTAL ..	21	TOTAL ..	22
New Delhi—			
Uttar Pradesh	6	Punjab	6
Rajasthan	3	Uttar Pradesh	9
Delhi	1	Rajasthan	3
PEPSU	2	Himachal Pradesh	2
		Ajmer	1
TOTAL ..	12	TOTAL ...	21
Madras—			
Madras	6	Madras	8
Andhra	4	Andhra	4
Travancore-Cochin ..	5	Travancore-Cochin ..	5
Mysore	1	Mysore	2
Hyderabad	3	Hyderabad	5
TOTAL ..	19	TOTAL ..	24
Bombay—			
Bombay	2	Bombay	2
Madhya Pradesh	3	Madhya Pradesh	1
Saurashtra	2	Saurashtra	2
Kutch	1	Madhya Bharat	4
Vindhya Pradesh	1	Bhopal	2
Bhopal	2	Coorg	1
		Kutch	1
TOTAL ..	11	TOTAL ..	13

GRAND TOTAL 143

ANNEXURE II

Statement showing allotment of seats at the three Khadi Board Training Centres.

Kallupatti Centre—			
Madras	6	8	14
Andhra	4	4	8
Travancore-Cochin	5	5	10
Mysore	1	2	3
TOTAL		..	35
Ahmedabad Centre—			
Bombay	2	2	4
Saurashtra	2	2	4
Kutch	1	1	2
Coorg	..	1	1
Madhya Pradesh	3	1	4
Bhopal	2	2	4
Vindhya Pradesh	1	..	1
Madhya Bharat	..	4	4
TOTAL		..	24
Nasik Centre—			
Assam	5	4	9
Bihar	8	7	15
Orissa	6	6	12
Manipur	1	1	2
Tripura	1	1	2
West Bengal	..	3	3
Uttar Pradesh	6	9	15
Punjab	..	6	6
PEPSU	2	..	2
Himachal Pradesh	..	2	2
Rajasthan	3	3	6
Ajmer	..	1	1
Hyderabad	3	5	8
Delhi	1	..	1
TOTAL		..	84

No. MCD/19/11(8)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

(COMMUNITY PROJECTS ADMINISTRATION)

9, *Jor Bagh,*
New Delhi, the 7th December, 1956.

To

The Development Commissioners,
Directors of Community Projects,
(All State Governments).

SUBJECT—*Model Memorandum and Rules for an Association.*

SIR,

In continuation of this Ministry's letter of even number dated 20-10-56. I enclose a Model Constitution for an Institution to be registered under Act XXI of 1860 as mentioned in paragraph 3 of the notes of discussions between the representatives of all India Khadi & Village Industries Board and this Ministry on 19-7-56—copy circulated *vide* this Ministry's letter No. CPA/19/11(8)/56-Prg. dated 18-9-56. It is requested that all Community Project Officers (Industries), Block Development Officers and Extension Officers (Industries) etc., may be acquainted with these rules and asked to take full advantage of the same.

It is suggested that the formation of Institutions under Act XXI of 1860 may normally be taken up only if local conditions do not suit the development of khadi & village industries through Co-operative Societies.

Yours faithfully,

(Sd.) I. R. KAKAR,
Under Secy. to the Govt. of India.

COPY TO :—

1. Joint Member-Secretary, All India Khadi & Village Industries Board, Mistry Bhavan, Dinshaw Watchha Road, Bombay-1 with reference to their letter No. PL.PR.4(1)III/922 dated 17-11-56.
2. Directors of Industries (All State Governments).
3. Community Project Officers (Industries), All Pilot Projects.

(Sd.) I. R. KAKAR,
Under Secy. to the Govt. of India.

MEMORANDUM OF ASSOCIATION OF THE....................

KHADI AND VILLAGE INDUSTRIES ASSOCIATION

1. The name of the Association is ....Khadi and Village Industries Association.

2. The registered office of the Association is situated at.............. District..............State or at such other place as the Executive Committee may from time to time decide.

3. The objects for which the Association is established are :—

(1) To establish, increase or spread Khadi production and sales.

(2) To organise and establish Village Industries which are not opposed to Sarvodaya economy and ideology and which are acceptable to the All India Khadi & Village Industries Board.

(3) To organise sales centres for disposal of Khadi and other Village Industries products produced either directly by the Association or through others and to take up agencies for sale and distribution of the same.

(4) To subscribe to, become a member of and co-operate with any other Association whether incorporated or not whose objects are altogether or in part, similar to those of this Association and to procure from or communicate to any such Association such information as may be likely to forward the objects of this Association.

(5) To acquire by purchase, take on lease or otherwise, lands and buildings and all other property movable and immovable which the Association for the purposes thereof, may from the time to time think proper to acquire.

(6) To bring, prosecute or defend, or aid in bringing prosecuting or defending any suits, actions, proceedings, applications or arbitrations on behalf of the members of the Association as the Executive Committee of the Association may think proper or conducive to the objects of the Association.

(7) To sell, improve, manage, develop, exchange, lease or let, under-lease, subject, mortgage dispose of, turn to account or otherwise deal with, all or any part of the property of the Association.

(8) To construct upon any premises acquired for the purposes of the Association any building or buildings for the purpose of the Association and to alter, and to, or remove, any building upon such premises.

(9) To borrow or raise any moneys required for the purpose of the Association upon such terms and in such manner and on such securities as may be determined by the Executive Committee.

(10) To pay out of the funds of the Association the costs, charges and expenses, preliminary and incidental to the formation, establishment and registration of the Association all expenses which the Association may lawful by pay, of or incidental to the raising of money for the Association.

(11) From time time to make and amend or repeal bye-laws or rules in furtherance of or for carrying out the objects and activities of the Association and in particular without prejudice to the generality of such power, for the purpose of controlling and regulating the membership of the Association the levy and collection of fees and subscriptions from members, the arbitration and settlement of all manner of disputes or difficulties between members and for the enforcement of discipline amongst its members by providing *inter alia* for the levy and collection of fines and penalties and for suspension or expulsion from membership.

(12) To serve, the people in .... in accordance with the principles underlying the various items of the constructive programmes as laid down in the teaching of Mahatma Gandhi. Without prejudice to the generality of objects above mentioned it includes (a) taking up and conducting the management of any institution, trust or body functioning within............ having objects more or less similar to those above mentioned,

(b) entrustment or affiliation of the management, of this Association with any such institution trust or body.

(13) To do all such other things as are incidental or conducive to the attainment of the above objects.

(14) The activities of the Association extend to the whole of......

(15) **The management of the Association vests in an Executive Committee.** The names and addresses and description of the present members of the Executive Committee are :—

No.	Name	Address and Occupation	Description
1.			
2.			
3.			
4.			
5.			
6.			
7.			

The present members of the Executive Committee shall hold office for three years.

We, the undersigned, are desirous of forming an Association in pursuance of this Memorandum of Association, and we respectively affix our signatures thereto.

No.	Address and Description of the Signatory	Signature
1.		
2.		
3.		
4.		
5.		
6.		
7.		

Dated this the day of 195 .

Witnesses :—

1.

2.

RULES AND REGULATIONS
OF
THE.........................KHADI AND VILLAGE INDUSTRIES ASSOCIATION

1. *Preliminary*—In these Rules and Regulations unless there be something in the subject or context inconsistent therewith:—

(*a*) The "Association" means the .... Khadi and Village Industries Association.

(*b*) "Member" means a member of the Association for the time being.

(*c*) "General meeting" means a general meeting of the Association.

(*d*) "The President" means the President of the Association.

(*e*) "The Committee" means the Executive Committee of the Association.

(*f*) "The Secretary" means the Secretary of the Association and "Treasurer" means the treasurer of the Association.

(*g*) Words importing the singular number only shall include the plural and *vice versa.*

(*h*) Words importing "a person" shall include a corporation.

2. *Membership*—The Association is declared to consist of eleven members called the founder members, consisting of the signatories to the Memorandum of Association and the persons whose names and addresses are given below:—

1.
2.
3.
4.
5.
6.
7.
8.
9.
10.
11.

The Committee may, however, enrol a new member provided his name is proposed by an existing member is approved by a majority of the members of the Committee. Any person habitually wearing Khadi and who does not deal in Mill Cloth in any manner alone is entitled to a membership. The general body may remove any person from membership if he has in its opinion, acted against the interests of the Association.

3. *Membership Fee*—The founder members shall donate Rs. 50 each and shall continue to be members for life, unless removed from membership for valid reasons. Any person who is prepared to donate Rs. 50 in a lump sum or Rs. 60 at the rate of Rs. 5 per month continuously for 12 months shall be eligible for membership. Any member who defaults the monthly donation continuously for two months shall automatically cease to be a member.

4. *Executive Committee*—The control, guidance and management of the affairs of the Association shall be entrusted to an Executive Committee consisting of President, Secretary, Treasurer and four other members:—

(*a*) The Executive Committee shall hold office for a period of three years.

(*b*) Thereafter the members of the Executive Committee shall be elected in every three years at a general body meeting held for that purpose. The members of the Executive Committee so elected shall decide among themselves, by ballot or otherwise, as to who shall respectively hold the posts of the President, Secretary and Treasurer.

5. *Vacancies*—Any vacancy in the office of the members of the Executive Committee arising out of the death, resignation, lunacy, bankruptcy or removal from membership of the Association shall be filled up by nomination by the remaining members of the Committee. A vacancy on the

Committee shall not invalidate its decisions or resolutions and any action taken by the Committee in pursuance of such resolution shall be valid.

6. *Duties and Powers of the Executive Committee*—The Executive Committee shall have full power and absolute authority subject to the guidance of the general body, to do all acts, matters, things and deeds which may be necessary and expedient for the purpose of the Association and without prejudice to the generality of their powers, the Committee shall have power:—

(1) To carry out the objects of the Association.

(2) To look after, supervise and manage the institutions and properties of the Association.

(3) To expend monies required for the carrying out of the objects of the Association.

(4) To borrow or raise money, which may be required for the purpose of the Association, upon bonds, promisory notes, debentures or other obligations or securities of the Association or by mortgage or charge or hypothecation or pledge over all or any of the properties of the Association moveable or immoveable or otherwise.

(5) To invite and accept donations and subscriptions with or without any condition.

(6) To acquire in the name of the Association by gift, purchase, exchange, lease, hire or otherwise however, any lands, buildings, rights or privileges for the purpose of the Association.

(7) To delegate any of the powers of the Executive Committee to any member of the Association or to any committee or subcommittee or individual.

(8) To refer any dispute or litigation for or against the association to arbitration.

(9) To appoint and employ any agents, managers, accountants, clerks, peons or other servants necessary for any of the purposes aforesaid at such remuneration, commission or salary as the Executive Committee may think proper and from time to time to dismiss or discharge such agents, managers, etc.; and to appoint or employ others in their places.

(10) To give promotions, increments, honorarium and stipends to employees of the Association and do general work in connection with the staff of the Association.

(11) To invest and deal with any of the moneys of the Association upon such securities and in such manner as they may think fit and from time to time to vary or realise such investments.

(12) To negotiate and enter into contracts on behalf of the Association, to carry out the same and rescind such contracts.

(13) To build, construct and maintain houses and buildings and to pull down, alter, extend and improve any existing building.

(14) To frame subsidiary rules for the conduct of the Association.

(15) To determine the manner in which bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents shall be signed or executed by or on behalf of the Association.

(16) To do all such lawful acts, deeds and thing which are incidental or conducive to the advancement or attainment of the objects of the Association.

7. The official year of the Association shall be from April to March. The annual meeting shall be held after 15 days' notice before August of every year for the purpose of passing the previous year's accounts.

8. The Executive Committee may meet as often as is necessary after 3 days' notice. Not less than 7 members may at any time in writing require the Secretary to call a general body meeting. One third of the total number of members or five whichever is less shall constitute the quorum for the Executive Committee. In urgent cases, the Executive Committee or the general body may take decisions on any matter by circulating it amongst themselves. All decisions of the Executive Committee, shall be by majority.

9. No member of the Committee or other Officer of the Association shall be liable for the acts, receipts, neglects or defaults of any other member of the Committee, or officer or for joining in any receipt or other act for conformity, or for any loss or expenses happening to the Association through the inefficiency or deficiency of title to any property acquired by the order of the Committee for and on behalf of the Association or for the inefficiency or deficiency of any security in or upon which any of the moneys of the Association shall be invested, or for any loss or damage arising from the bankruptcy, insolvency, or tortious act of any person with whom any moneys, securities or effects shall be deposited, or for any other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office, or in relation thereto, unless the same shall happen through his own dishonesty.

10. The members of the Executive Committee shall be entitled to reimburse themselves or pay or discharge out of the property of the Association all expenses incurred and payments made by them in connection with the formation of this Association.

11. *Accounts*—The Secretary shall maintain proper accounts which shall be audited every year preferably by a Chartered Accountant as per directions of the Executive Committee from time to time. The annual accounts shall be approved by the Executive Committee within three months from the end of the financial year and published after its approval. The Secretary shall also keep regular minutes of the proceedings of the Executive Committee and general body meetings.

12. Report of work done during the proceeding financial year shall be placed before the Executive Committee within three months from the end of such financial year and published after its approval.

13. The general body may add to, omit, vary or clarify any of these rules and regulations.

14. The Association shall have a common seal with the name of the Association inscribed thereon. It shall not be used except by the authority of the Committee and in the presence of the President and countersigned by the Secretary. Deeds, Bonds and other Contracts made on behalf of the

Association duly sealed with the common seal of the Association and signed by the President and the Secretary shall be deemed to be duly executed.

We being three members of the Governing Body hereby certify that the above copy of the Rules and Regulations of the Association is a correct copy thereof.

Dated this..............the day of...........195 .

1. (Sd.) *President*

2. (Sd.) *Secretary*

3. (Sd.) *Treasurer*

No. MCD/19/IX(12)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

9, *Jor Bagh,*
New Delhi, the 21*st December*, 1956.

To

The Community Project Officers
(Industries)/The Principals of Khadi
Gram Udyog Maha Vidyalayas.

DEAR SIR,

Placed below find a list of titles of 20 books received from Ministry of Education on various cottage and village industries published by Malhipur Branch Press, publishers of literature for Sarvodaya Parkashan, Delhi. You may find these books useful. These can be procured from above publishers directly.

Yours faithfully,

(Sd.) DARSHAN SINGH
Section Officer

Copy to Ministry of Education with reference to their U.O. No. F.19-30/55-B-2 without date.

(Sd.) DARSHAN SINGH
Section Officer

List of Titles

1.	Gram Udyog Mala	..	..	Gur & Khandsari Udyog
2.	Do.	..	..	Shahed Udyog
3.	Do.	..	..	Neem Ka Tail Udyog
4.	Do.	..	..	Reesham Ke Kahani
5.	Do.	..	..	Barhai Udyog
6.	Do.	..	..	Gharelu Dia Silai Udyog
7.	Do.	..	..	Resham Udyog
8.	Do.	..	..	Supari Udyog
9.	Do.	..	..	Dehat Ka Mikan Udyog
10.	Do.	..	..	Lakh Udyog
11.	Do.	..	..	Gaun Ka Chamra Udyog
12.	Do.	..	..	Eent Udyog
13.	Do.	..	..	Agarbati Udyog
14.	Do.	..	..	Lakh Ki Kahani
15.	Do.	..	..	Chini Mitti Ka Udyog
16.	Do.	..	..	Gaun Ka Dharm—Gaun Ka Udyog
17.	Do.	..	..	Baan, Rassi, Rashi Ka Udyog
18.	Do.	..	..	Pencil Ka Ghirelu Udyog
19.	Do.	..	..	Bal (Brisol) Udyog
20.	Do.	..	..	Saban Ka Udyog

No. MCD/19/11(8)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

9, *Jor Bagh,*
New Delhi, the 21*st December,* 1956

To

The Development Commissioners/
Directors of Community Projects
(All State Governments).

SUBJECT—*Allotment of Ambar Charkha Parishramalayas.*

SIR,

In continuation of this Ministry's letter of even number dated 7th December, 1956, I enclose a statement showing the allotment of Ambar Charkha Parishramalayas to various institutions in each State with the request that the organisers and institutions in your State may please be contacted with a view to persuade them to open their branches in Pilot Projects and C.D. Block areas for starting Ambar Charkha programme.

In this connection attention is also invited to this Ministry's letter No. CPA/19/11(8)/56-Prg., dated the 18th September, 1956 forwarding a copy of the minutes of the meeting which Minister, Community Development had with Shri V. L. Mehta, Chairman, All India Khadi and Village Industries Board on 19th July, 1956 and letter of even number dated October 20, 1956 wherein a list showing institutions to whom funds have been given for organising Ambar Charkha programme.

Action taken in the matter may please be intimated to this Ministry in due course.

Yours faithfully,

(Sd.) I. R. KAKAR
Under Secy. to the Govt. of India

Copy to the Chairman, All India Khadi and Village Industries Board, Mistry Bhavan, Dinshaw Wachha Road, Bombay-1, for information and suitable action.

(Sd.) I. R. KAKAR
Under Secy. to the Govt. of India

ALL INDIA KHADI AND VILLAGE INDUSTRIES BOARD, BOMBAY-1.

Statement showing total allotment of Parishramalayas as on 5th December, 1956.

Serial No.	State	No. of Charkhas allotted during the year	No. of Parishra-malayas allotted during the year	Name of the Institution	No. of Parishra-malayas Old	No. of Parishra-malayas New	No. of Parishra-malayas decided to be allot-ted.	Balance	REMARKS
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	Andhra ..	10,000	25	Dy. Zonal Director, All India Khadi & V.I. Board, (Andhra), Kakinada.	12	13	—	—	
2.	Assam	3,000	1	Assam State Khadi & V.I. Board, Shillong.	*Nil*	1	—	—	
3.	West Bengal ..	6,500	16	(*i*) Abhoy Ashram, Calcutta.	1	11	—		
				(*ii*) Ambar Charkha Sikshanalaya, Fulia Colony, West Bengal.	1	—	—	1	
				(*iii*) West Bengal Khadi & V.I. Board, Calcutta.	2	—	2	—	
4.	Bihar	10,000	25	Bihar Khadi Gramodyog Sangh, Muzaffarpur.	10	15	—	—	
5.	Bombay ..	13,200	23	(*i*) Bombay Village Industries Board.	11	12	—	—	
				(*ii*) Kolhapur Distt. Khadi Gramodyog Sangh, Kolhapur.	—	—	1	—	
				(*iii*) Babapur, Distt. Amreli.	—	—	1	—	
6.	G. Bombay ..	15,000	8	Bombay Suburban Distt. V. I. Association.	*Nil*	8	—	—	
7.	Bhopal	300	1	Bhopal Rajya Khadi Gramodyog Sangh, Bhopal.	*Nil*	1	—	—	
8.	Hyderabad ..	5,000	12	(*i*) Kshetra Vikas Samiti, Murud.	*Nil*	1	—		
				(*ii*) Hyderabad Khadi Samiti, Hyderabad.	3	4	—		
				(*iii*) Hyderabad Karnatak Gram Seva Sangh.	*Nil*	2	—	Nil	
				(*iv*) Hyderabad State K. & V. I. Board.	*Nil*	—	2		

9.	Madras	2,500	5	(*i*) Government of Madras.	*Nil*	5	*Nil*	1
				(*ii*) Gandhi Ashram, Trichengodu, Distt. Salem.	*Nil*	1	*Nil*	
10.	Madhya Bharat ..	3,200	8	Madhya Bharat Khadi and V. I. Board, Ujjain.	5	3	*Nil*	*Nil*
11.	Mysore ..	3,200	8	(*i*) Mysore Charkha Prachar Sangh, Medkeripura, Mysore State.	*Nil*	1	—	
				(*ii*) Ambar Khadi Production Society, Anekal.	1	1	—	
				(*iii*) Tagdur Khadi Centre Sarvodaya Bhavanam, Tagdur.	*Nil*	1	*Nil*	1
				(*iv*) Aimangal Khadi Centre.	*Nil*	1	—	
				(*v*) Badamwal.	*Nil*	1	—	
				(*vi*) South Canara Village Asson., Mangalore.	*Nil*	1	—	
12.	Nasik	400	1	Utkarsha Samiti, Nasik.	1	*Nil*	*Nil*	*Nil*
13.	Orissa	3,000	7	Orissa Khadi and V. I. Board, Bhubaneswar.	4	3	*Nil*	*Nil*
14.	PEPSU	5,000	12	(*i*) Kasturba Seva Mandir, Rajpura, PEPSU.	—	7	*Nil*	*Nil*
				(*ii*) Government of PEPSU	—	5	—	—
15.	Punjab	5,000	12	(*i*) Khadi Ashram, Ambala.	2	1		
				(*ii*) Punjab Khadi Gramodyog Sangh, Adampur.	2	2	2	3
				(*iii*) Government of Punjab.	—	—		
16.	Rajasthan* ..	10,000	25	(*i*) Rajasthan Khadi Sangh, Chomu.	1	7		
				(*ii*) Rajasthan Khadi Vikas Mandal, Govindgarh.	1	1		
				(*iii*) Udyog Mandir, Jaipur.	*Nil*	1		5
				(*iv*) Nav Nirman Sangh.	1	*Nil*		
				(*v*) Kendriya Sarvodaya Sahakari Sangh.	1	*Nil*		
				(*vi*) Matsya Rajya Gram Seva Mandal.	1	*Nil*		
17.	Saurashtra ..	10,000	25	Saurashtra Khadi and V. I. Board.	4	21	*Nil*	*Nil*

*Six more Parishramalayas are being allotted to Rajasthan State Board. In some of the States the Board has allotted more Parishramalayas than what were originally sanctioned as shown in Col. No. 4 of the Statement as institutions concerned in those State were able to push the programme rapidly.

(1)	(2)	(3	(4)	(5)	(6)	(7)	(8)	(9)	(10)
18.	Travancore-Cochin	500	2	(*i*) Sarva Seva Ashram, Alwaye.	1	*Nil*	*Nil*	*Nil*	
				(*ii*) Kerala Khadi and V. I. Association, Trichur	*Nil*	1			
19.	Tamilnad and Kerala Vibhag	12,000	30	Serva Seva Sangh, Wardha.	*Nil*	30	*Nil*	*Nil*	
20.	U.P.	20,000	50	(*i*) Gandhi Ashram, Meerut.	16	33	*Nil*	*Nil*	
				(*ii*) Khadi Gramodyog Sangh, Narela, Delhi.	1	*Nil*	*Nil*	*Nil*	
21.	Intensive Area ..	2,800	7	(*i*) Madanpalli Hand Spinners Hand Weavers Co-operative Society Centre, Madanpalli.	*Nil*	1	—	—	
				(*ii*) Saghan Kshetra Vikas Samiti, Ajgara.	*Nil*	1	—	—	
				(*iii*) Saghan Kshetra Vikas Samiti, Sehason.	*Nil*	1	—	—	
				(*iv*) Vedchi Gramodyog Vikas Kshetra, Valod.	*Nil*	1	—	—	
				(*v*) Intensive Area Centre, Dohari-ghat.	*Nil*	1	—	—	
				(*vi*) Lok Seva Samiti Khirpari, West Bengal.	*Nil*	1	—	—	
				(*vii*) Gram Swavalambi Vidyalaya, Faizabad.	*Nil*	1	—	—	
		TOTAL	303		82	202	8	11	

No. MCD/19/XI(13)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 31st December, 1956

To

The Development Commissioners,
All States (except Kerala State).

SUBJECT—*Procedure for cashing the cheques issued by the All India Khadi and Village Industries Board in favour of the State Development Commissioners.*

SIR,

I am directed to say that the All India Khadi and Village Industries Board has intimated that for want of a suitable provision in the State Budgets difficulties were experienced by an officer in charge of Community Project Work in one of the States in cashing the Bank drafts sent by the Khadi Board for expenditure for implementation of the approved schemes of the Village Industries under the purview of that Board. With a view to overcome such a difficulty the procedure adopted by the then-Travancore-Cochin State (now Kerala) as stated in Additional Development Commissioner, Trivandrum D.O. letter No. CP(B)2-1762/56CS, dated the 17th March, 1956 to Shri R. Srinivasan of the All India Khadi and Village Industries Board (copy enclosed), together with a copy of Comptroller, Kerala State letter dated the 13th March, 1956 is forwarded for necessary action. It will be greatly appreciated if action taken in the matter by the State Governments is intimated to this Ministry in due course.

Yours faithfully,

(Sd) I. R. KAKAR
Under Secy. to the Govt. of India

Copy to the Chief Executive Officer, All India Khadi and Village Industries Board with reference to his letter No. PL/PR/12(1)/1048, dated the 10th December, 1956.

(Sd) I. R. KAKAR
Under Secy. to the Govt. of India

GOVERNMENT OF TRAVANCORE-COCHIN

M. ABDUSSALAM, I.A.S.,
Additional Secretary to Government and Additional Development Commissioner.

No. CP(B)-2-1762/56/CS. *Trivandrum, the 17th March, 1956*

DEAR SHRI SRINIVASAN,

Please refer to your letter D.O. PL/PR/65/19, dated 13th March, 1956 regarding the placing of funds from the Board to the State Government for

the development of Village and Khadi Industries. The question was already taken up by me with the Comptroller and I am forwarding a copy of Comptroller's letter DH-171-1-5059, dated 13th March, 1956 detail in the procedure to be followed for transfer of funds under grant. The State Government have agreed to the procedure and hence I request you to place the amount, requested by the Government under grant, at the disposal of the Comptroller.

Regarding the loan funds, for which request was made, I have addressed the Comptroller separately for his opinion regarding the mode of placing funds. I shall address you after hearing from him.

Yours sincerely,

(Sd.) ABDUSSALAM

SHRI R. SRINIVASAN,
All India Khadi and Village Industries Board,
101, *Queen's Road,* BOMBAY-1.

GOVERNMENT OF TRAVANCORE-COCHIN

COPY OF LETTER NO. DH.171-1/5059, DATED 13TH MARCH, 1956 FROM THE COMPTROLLER, TRIVANDRUM.

SUBJECT—*Schemes financed by All India Khadi and Village Industries Board—Palmgur Industry in N.V. Project.*

Reference G.P. No. CP(B)2-5935/56/CS, dated the 25th February, 1956.

The scheme is to be fully financed by the All India Khadi and Village Industries Board and as such the expenditure on this scheme has to be booked under a distinct detailed head of account under S. Deposit and Advances—Deposit not bearing interest (c) other deposit accounts. It is, therefore, necessary that the grant from the Board is received in advance and credited to the Deposit account before any expenditure is incurred. Instructions for drawing funds from the treasury will be issued on receipt of the grant from the Board. Otherwise payment will have to be made debiting the expenditure to the head Deposits and Advances—Advances not bearing interest special advances, treating it—as an advance made by the State Government and recouping it on receipt of the contribution. On receipt of orders of Government approving this procedure the authorisation will be issued.

No. MCD/19/XI(47)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 2nd January, 1957

To

The Development Commissioners,
All State Governments,
(Except NEFA).

SUBJECT—*Formation of the Action Committee at the State Level—representation thereon.*

SIR,

I am directed to refer to this Ministry's letter No. MCD/19/XI(3)/55-Prg., dated the 31st December, 1955 wherein the constitution of State Action Committees was recommended. It is needless to emphasise the working of State Action Committee as an effective and active body not only for the promotion of cottage industries in the Pilot Projects but for a wider purpose of promoting industrial programme in all community development blocks. Moreover, the State Governments were also requested to appoint Joint Development Commissioners and Regional Directors, Small Industries Service Institutes to serve on the State Action Committees, under this Ministry's letter No. MCD/19/XI(47)/56-Prg., dated the 4th July, 1956. It is also considered desirable if the State Governments include a representative of the State Finance to serve on the Action Committee as this Ministry has included representatives of the associated finance of the concerned Ministries on the Action Committee at the Central level.

The State Action Committee should meet frequently in the beginning—at least once in two months—to review the progress made in the Pilot Projects. It is further requested that 3 copies of the minutes of the Action Committee meeting may be forwarded to this Ministry for information and record.

Yours faithfully,

(Sd) I. R. KAKAR
Under Secy. to the Govt. of India

EXPRESS LETTER
MOST IMMEDIATE

No. 19/XII (31)/56-Prg.
GOVERNMENT OF INDIA
MINISTRY OF COMMUNITY DEVELOPMENT

9, Jor Bagh,
New Delhi, the 7th January, 1957

To

The Development Commissioners,
All State Governments.

SUBJECT—*Bulk allocation of funds for execution of the programme for the development of Khadi and Village Industries in Community Project Areas for the year* 1957-58.

SIR,

I enclose a copy of Ministry of Production letter No. 3(4)/57-Khadi, dated 31st December, 1956 on the above subject for information and immediate action for a token provision in the State budget 1957-58 for undertaking the programme of Khadi and Village Industries in each C.D. Block and Pilot Project.

As soon as the actual allotment for each block is known, a further communication will follow.

Receipt of this communication may please be acknowledged.

Yours faithfully,

(Sd.) DARSHAN SINGH
Section Officer

Copy to Community Project Officers (Industries) (All States).

(Sd.) DARSHAN SINGH
Section Officer

EXPRESS LETTER
MOST IMMEDIATE

GOVERNMENT OF INDIA
MINISTRY OF PRODUCTION

No. 3(4)/57-*Khadi*.

New Delhi, the 31*st December*, 1956

FROM

SHRI R. KALYANASUNDARAM,
Under Secretary to the Government of India.

To

All State Governments.

SUBJECT—*Allocation of funds for execution of the programme for the development of Khadi and Village Industries in Community Project Areas* 1957-58.

SIR,

As you are aware, according to the present procedure, funds for schemes for the development of Khadi and Village Industries in Community Project

Areas, coming within the purview of the All India Khadi and Village Industries Board, are placed by the Board at the disposal of the State Development Commissioners. It is understood that in the absence of suitable provisions in the State budgets it has not been found possible to draw the funds against the cheques sent by the Board. To overcome this difficulty it has been suggested that the Board might earmark a percentage of their funds to be made available for each Community Development Block and communicate the same to State Governments well in advance of the commencement of the financial years so as to enable them to make a suitable provision in the State budget.

2. In regard to Community Project Areas, the All India Khadi and Village Industries Board may be in a position to make available a sum of Rs. one lakh for each Intensive Community Development Block comprising the Pilot Project Areas and Rs. 50,000 for each of the other Development Blocks subject to the availability of sufficient funds. These sums are, therefore, purely tentative and the indication is that they may be reduced. The State Government may, however, consider the desirability of including a token provision in their budget against the funds they may receive from the Board. The actual canalisation of funds from the Khadi Board will be according to the procedure decided upon by each State Government for the purpose. It will be through the statutory State Boards where the State Governments concerned so desire.

3. The Ministry of Community Development have been advised in the matter and they propose to address the State Developments Commissioners incharge of Community Project Areas shortly so that it might help the Officer-in-Charge of the Block to frame schemes on the Board's pattern for the village industries having a scope for development in his Block, plan execution and take preliminary steps therefor.

4. I am to request that the receipt of this letter may kindly be acknowledged and this Ministry informed of the action taken by the State Government.

Yours faithfully,

(Sd.) R. Kalyanasundaram
Under Secy. to the Govt. of India

No. 3(4)/57-Khadi

Copy to:—

(1) The All India Khadi and Village Industries Board, Post Box No. 482, Bombay.

(2) The Ministry of Community Development, New Delhi (with 10 spare copies).

(3) V.I., A.C., H.S.(1), H.S.(2) Sections.

(Sd.) R. Kalyanasundaram
Under Secy. to the Govt. of India

No. MCD/19/XII (31)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 7th January, 1957

To

The Development Commissioners,
(All State Governments except NEFA).

SUBJECT—*Smaller Industrial Estates—Setting up of.*

SIR,

The Ministry of Commerce and Consumer Industries have decided to start twenty Small Industrial Estates all over the country during the next financial year allotting one such Small Estate for your State. In this connection, a copy of D.O. letter No. 3-LI(B)(51)/56, dated the 24th December, 1956 issued by the Ministry of Commerce and Consumer Industries is enclosed together with enclosures thereto.

A copy of Ministry of Production letter No. 3(4)/57-Khadi, dated the 31st December, 1956 regarding bulk allocation of funds for execution of the programme for the development of Khadi and Village Industries in Community Project areas for the year 1957-58 is also enclosed for information.

Yours faithfully,

(Sd.) DARSHAN SINGH
Section Officer

D.O. No. 3-LI(B)/56

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND CONSUMER INDUSTRIES

New Delhi, the 24th December, 1956

P. K. CHAKRAVARTI, I.A.S.,
Deputy Secretary.

MY DEAR SHRI

It has been decided, in consultation with the Ministry of Community Development, that twenty small Industrial Estates would be started all over the country during the next financial year, each Estate costing roughly Rs. 2-3 lakhs. It will, therefore, be possible for us to allot one such small Estate for your State.

The exact locations of these Estates will be communicated to you in due course. Meanwhile, I shall be grateful if you will kindly make suitable provision in your Budget on the assumption that one Estate will be allotted to you.

It is understood that the financial assistance, proposed to be given by the Central Government for setting up these small Estates, would be similar

to that for the larger Industrial Estates and that the Blue-prints of these Estates would be prepared by the technical officers attached to our Regional Institutes.

Yours sincerely,

(Sd.) P. K. CHAKRAVARTI
Deputy Secy. to the Govt. of India

To

Secretaries of Industries Department of State Governments (as per list attached).

No. 3-LI(B)(51)/56

COPY FORWARDED TO:—

(1) The Development Commissioner for Small Scale Industries, 114, Sundar Nagar, New Delhi.

(2) The Joint Development Commissioner for Small Scale Industries (Northern Region), 27, Sundar Nagar, New Delhi.

(3) The Joint Development Commissioner for Small Scale Industries (Eastern Region), 16, Theatre Road, Calcutta.

(4) The Joint Development Commissioner for Small Scale Industries (Central Region), 23, Yeshwant Niwas Road, Indore.

(5) The Joint Development Commissioner for Small Scale Industries (Western Region), C/o The Director, Small Industries Service Institute, 40-40-A, Gowasji Patel Street, Fort, Bombay.

(6) The Joint Development Commissioner for Small Scale Industries (Southern Region), 98, Mowbrays Road, Madras-18.

(7) The Ministry of Community Development, 9, Jor Bagh, New Delhi.

(Sd.) P. K. CHAKRAVARTI
Deputy Secy. to the Govt. of India

Statement showing the number of Small Industrial Estates allotted to the States.

Serial No.	State	Number allotted
1.	Uttar Pradesh	2
2.	Bombay	2
3.	Madras	1
4.	Kerala	1
5.	West Bengal	1
6.	Madhya Pradesh	1
7.	Orissa	1
8.	Punjab	1
9.	Assam	1
10.	Bihar	1
11.	Rajasthan	1
12.	Andhra Pradesh	1
13.	Mysore	1
14.	Jammu & Kashmir	1
15.	Himachal Pradesh	1
16.	Delhi	1
17.	Manipur	1
18.	Tripura	1

No. 19/XI(22)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

9, Jor Bagh,
New Delhi, the 19th January, 1957

To

The Development Commissioners,
(All State Governments except N.E.F.A.).

SUBJECT—*Quarterly Progress Reports in respect of the Pilot Projects.*

SIR,

I am directed to refer to this Ministry's letter of even number dated July 27, 1956 wherein State Governments were requested to furnish quarterly progress reports in respect of Pilot Projects (Cottage & Small Scale Industries) on the prescribed proforma. The reports received from various States have been scrutinised and it has been observed that reports from most of the States have not been satisfactory.

A note regarding the observations on the quarterly progress reports prepared in this Ministry is sent herewith for information and guidance.

Yours faithfully,

(Sd.) K. P. MISRA
Under Secy. to the Govt. of India

Copy to Community Project Officers (Industries) (All States).

Observations on the Quarterly Progress Reports regarding Pilot Projects for the intensive development of cottage and small scale industries.

The reports for the first two quarters, *viz.,* quarter ending June 30, 1956 and September 30, 1956 do not contain information about a large number of items included in the proforma for Quarterly Progress Reports forwarded to the State Governments with C.P.A. letter No. 19/XI/(22)/56-Prg. dated the 27th July, 1956. The general defects noted in the information received under various sections of the proforma are indicated below:—

SECTION *II—Personnel—*

It is noted that many States have not yet appointed Extension Officers (Industries). Three such officers are to be appointed in each project, *i.e.,* one for a block. It is expected that as long as these officers are not in position, their number should appear at least under column (2)—total sanction for the programme period. This applies equally to other items in this Section. It is really misleading if a blank report is submitted.

SECTION *III—Project Budget Position—*

Information in this Section is not being furnished in the prescribed proforma by a number of Projects. This leads to confusion. Again in a few cases the figures of expenditure incurred or amount sanctioned till June 30, 1956 were reported higher than the corresponding figures till September 30, 1956. This is obviously wrong and shows that these reports were not filled in carefully.

SECTION *IV—Programme—*

Item A—This information is usually conspicuous by its absence.

Items B to D—Information is frequently not supplied. Naturally one is tempted to draw the conclusion that not much progress has been made. Again since the figures asked for in the last column of these items are cumulative, it is expected that as time passes these figures should progressively increase. It is really surprising when sometime one comes across figures which are lower than the previous quarter cumulative.

SECTION *V—Cooperation—*

Number of societies shown against 'others, if any' must not include the numbers for those categories of societies which have been mentioned specifically in the proforma.

From our experience of the reports received, it is felt that the information under items 2 to 5 may be collected in a slightly modified form. No change is suggested in items 1 & 6.

The form suggested is given below:—

As prescribed under	*Revision suggested*
2. No. of *new* Cooperative Societies started.	Total No. of Cooperative Societies in existence.

(other things may remain unaltered as prescribed earlier)

3. No. of credit societies converted into multi-purpose Cooperative Societies (new convertion only).	Credit Societies converted into multi-purpose Cooperative Societies.

(other things may remain unaltered as prescribed earlier)

4. No. of new members enrolled in..	Total Membership of Cooperative Societies ....

(other things may remain unaltered as prescribed earlier)

5. Amount of additional share capital raised in..	Total share capital of..

(other things may remain unaltered as prescribed earlier)

SECTION *VI—Marketing—*

Some modifications in the form of reporting are suggested under this Section also.

For item 1(a)—Number of primary marketing societies started; information should instead, be furnished for 'total number of primary marketing societies in existence'.

For item (2)—No. of Godowns constructed, information should instead, be furnished for (i) 'total number of godowns in existence'; and (ii) 'floor area of godowns in existence'. Both under (i) and (ii) information should relate to (a) 'Cooperative Societies godowns'; and (b) 'godowns of other agencies' (please specify agency).

SECTION *VII—Miscellaneous Remarks—*

Information under this Section is conspicuous by its absence.

No. F.24(2)/56-TG

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 24th January, 1957

To

The Development Commissioners and
Directors of Community Projects,
All State Governments (including Pondichari).

SUBJECT—*Training—deputation of personnel from the States—pay and allowances and stipends and delay in remittance to be avoided.*

Reference: This Ministry letter No. CPA/24(2)/56-TG, dated the 8th May, 1956.

SIR,

This Ministry notes with satisfaction that some of the State Governments have taken action on this Ministry's letter referred to above and the difficulties in payment of pay, stipends or other allowances to their trainees at the different Training Centres have been removed. However, there still remain some States, whose trainees do not receive in time their salaries, stipends, allowances and advance for study-tours during the course of training with the result that the Training Centres have to shoot out frantic letters and telegrams to the concerned State Governments and to this Ministry requesting early arrangements for remittance. The State Governments will very kindly appreciate the hardship that their trainees have to face at far away places, where they have no friends or acquaintances from whom they could even borrow money till remittances are received. This hardship is definitely avoidable with only a little care and concern being exercised by those in charge of this work. Instances have also occurred where trainees of a certain State had no money to return when the course was completed at a Training Centre nor had they the money to pay for their messing. One can imagine the unenviable predicament in which the trainees find themselves in such circumstances. This is, therefore, to request the Development Commissioners to kindly look into this matter personally and make some standing arrangements, so that the trainees when they are sent out, may be given advance payment, if possible, for two months and the further remittances may be made every month thereafter.

Study-tours to various Projects and other areas are a part of the training and the T.A. and D.A. for that purpose is payable by the State Governments to the trainees according to their rules. If advance amount for this purpose is also given right at the start, it will avoid cases where study-tours had to be cancelled because the trainees had not received advance for the purpose. This Ministry will feel grateful to know the orders of State Government in this connection which should obviate, in future, such difficulties to their trainees in far away areas. The problem is human and needs humane treatment, which it is hoped the States will surely render.

Yours faithfully,

(Sd.) G. F. MANKODI
Deputy Secretary

No. 18(I)/57-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 13th March, 1957

FROM

SHRI G. V. S. MANI, I.A.S.,
Under Secretary to the Govt. of India.

To

The Development Commissioners,
All State Governments.

SUBJECT—*Programme—Industries—Scrutinising Committee for expediting sanctioning of schemes for Small Scale Industries.*

SIR,

I am directed to enclose a copy of Ministry of Commerce & Consumer Industries letter No. 4-SSI(Cell)(3)/57, dated the 15th February, 1957 addressed to all States Industries Department and copy to this Ministry and **to say that all schemes concerning the development of Small Scale Industries** may please be routed through the Scrutinising Committee as referred to therein.

I am to invite your attention to para 19/20 of the minutes of the Sixth Meeting of Small Scale Industries Board, held on 23rd and 24th May, 1956 at Srinagar (copy enclosed) wherein the State Government can initiate preliminary action as soon as a scheme is approved by the Scrutinising Committee.

Yours faithfully,

(Sd.) G. V. S. MANI
Under Secretary to the Govt. of India

No. 4-SSI(Cell) (3)/57

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND CONSUMER INDUSTRIES

SMALL SCALE INDUSTRIES (CELL)

OFFICE OF THE DEVELOPMENT COMMISSIONER (SSI)

114, *Sunder Nagar,*
New Delhi, the 15th February, 1957

FROM

SHRI K. P. BISWAS,
Under Secretary to the Govt. of India.

To

All Secretaries,
Industries Department and
Directors of Industries of State Governments.

SIR,

I am directed to refer to this Ministry's letter of even number dated the 19th June, 1956 with which a note on the procedure for sanctioning State

Government's schemes for small scale industries was enclosed and to state that in order to expedite approval and sanctioning of schemes a small Committee consisting of the Joint Development Commissioner of the Region, the Director of Industries of the State Government concerned and the Regional Director of the Small Industries Service Institute was constituted. At the meeting of the Small Scale Industries Board held on 11th to 13th January, 1957 at Madras, however, it was pointed out by the Directors of Industries of various State Governments that it would expedite sanctioning of schemes by the State Governments if along with the Scrutinising Committee referred to above, a representative of the State Government in the Industries Department, and another representative of the State Government in the Finance Department could also be associated. The suggestion has been considered by this Ministry and it has been decided that the Scrutinising Committee would now consist of (1) Joint Development Commissioner for Small Scale Industries (Chairman); (2) A Representative of the State Government in the Industries Department; (3) A representative of the State Government in the Finance Department; (4) the State Director of Industries; and (5) the Regional Director of Small Industries Service Institute.

I am to add that in order to enable the State Governments representatives to be present at the meeting, the Scrutinising Committee will in future meet at the State Secretariat. The Joint Development Commissioner of the Region concerned would fix up with the Industries Secretary of the State Government a suitable date when a meeting could be held at the State Secretariat.

Yours faithfully,

(Sd.) K. P. Biswas
Under Secretary to the Govt. of India

Copy to Community Project Administration.

Extracts from the Minutes of the Sixth Meeting of the Small Scale Industries Board held on 23rd & 24th May, 1956 at Srinagar.

PROCEDURE FOR GOVERNMENT SCHEMES

19. The procedural question involved in preparation and execution of State Governments' schemes was discussed at the meeting of the Industries and Finance Secretaries held on the forenoon of the 24th May, 1956. The Chairman reported the conclusions arrived at that meeting and pointed out that it had been decided that the Central Government would inform the State Governments by November each year of the tentative contribution that the latter could expect from the Centre as grants and loans for the next financial year. The State Governments had already been informed of the type of assistance that they would receive for different types of schemes. The State Directors of Industries would draw schemes within the allotment limit so indicated, and discuss them with the Joint Development Commissioners and the Directors of Regional Small Industries Service Institutes. Once the Schemes were recommended by the Committee consisting of the above-mentioned officers, the schemes would be forwarded to the State

Government and the State Finance Department by the end of December each year. The Schemes that received the concurrence of the State Finance would then be officially placed before the Committee and their recommendations forwarded to the Ministry of Commerce and Industry by the Joint Development Commissioner. This should be done normally before the end of February. Meanwhile, the State Government could go ahead with making preliminary arrangements for implementing the scheme, since the probability is that the schemes would be sanctioned and marginal cases would be very few. The Ministry of Commerce and Industry would endeavour to issue sanctions within one month of the receipt of the scheme.

20. The same procedure would be followed for such State Government Schemes as may be formulated during the course of the year.

No. 20/11(13)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 22nd March, '57

FROM

SHRI G. V. S. MANI, I.A.S.,
Under Secretary to the Govt. of India.

To

The Development Commissioners,
All State Governments.

SUBJECT—*Application of Co-operative Societies and/or Registered Institutions working in Community Projects Areas for grant of funds, procedure to be followed to.*

SIR,

In continuation of this Ministry's letter No. MCD/20/11(13)/56-Prg., dated the 30th October, 1956, I am directed to enclose a copy of letter No. PL/PR/12(1)/57, dated the 4th March, 1957 together with copy of letter No. MCD/20/11(13)/56-Prg., dated the 8th January, 1957 referred to therein for information and necessary action.

Yours faithfully,

(Sd.) G. V. S. MANI
Under Secretary to the Govt. of India

Copy to the Chief Executive Officer, A.I.K. & V.I. Board, Mistry Bhavan, P.B. No. 482, Bombay.

(Sd.) G. V. S. MANI
Under Secretary to the Govt. of India

No. MCD/20/11(13)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 8th January, 1957

To

The Chief Executive Officer,
All India Khadi & Village Industries Board,
Dinshaw Wachha Road,
Post Box No. 482,
BOMBAY.

SIR,

Please refer to this Ministry's letter of even number dated the 30th October, 1956 addressed to the various States and copy addressed to you. A copy of letter (not enclosed) No. 6492/C, dated the 15th December, 1956 received from the Government of Bihar in reply thereto is enclosed.

It is presumed that the same procedure would apply in case of P.E.Os. also who are of the same rank as C.P.O. (Industries) incharge of Pilot Projects (Industries). This may please be confirmed.

Yours faithfully,

(Sd.) DARSHAN SINGH
Section Officer

Copy to Deputy Development Commissioner, Bihar, Patna with reference to his letter No. 6942/C, dated the 15th December, 1956.

(Sd.) DARSHAN SINGH
Section Officer

No. PL/PR/12(1)/57

ALL INDIA KHADI & VILLAGE INDUSTRIES BOARD

(COMMUNITY PROJECTS ADMINISTRATION)

Mistry Bhavan, Post Box No. 482.
*Bombay-*1, *the 4th March,* 1957

The Secretary to the
Government of India,
Ministry of Production,
Thapar House, Janpath,
NEW DELHI.

SUBJECT—*Application of Co-operative Societies and/or Registered Institutions working in Community Projects Areas for grant of funds, procedure to be followed to.*

Reference : Letter No. MCD/20/11(13)/56-Prg., dated the 8th January, 1957 from Section Officer.

SIR,

I am to refer to letter cited above and to confirm the presumption made in para 2 thereof.

2. It has been also decided that the procedure mentioned in this office letter of even number dated the 20th September, 1956 will apply both to Pilot Projects and Community Project Areas. If the Development Officer (Industries) or the Block Development Officer, *i.e.*, Extension Officer (Industries) is in charge of any Community or Intensive Development Blocks and is responsible for preparation and execution of the programme for development of industries in the Block in his charge he may be regarded as one entitled to certify the application for loans etc. referred to in the letter.

Yours faithfully,

(Sd.) K. T. SATARAWALA
Chief Executive Officer

Copy to Shri P. M. Mathai, Community Project Officer, New Delhi, Ministry of Community Development.

No. 19/XII(31)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 10*th April,* 1957

FROM

SHRI B. MUKERJI, I.C.S.,
Joint Secretary to the Govt. of India.

TO

The Development Commissioners,
All State Governments.

SUBJECT—20 *Smaller Industrial Estates, setting up in C. D. Blocks.*

In continuation of this Ministry's letter No. MCD/19/XII(31)/56-Prg., dated the 7th January, 1957, I am directed to request you to select the location of Smaller Industrial Estate allotted to your State in consultation with the Joint Development Commissioner, Small Scale Industries, Ministry of Commerce & Industry for the Region, and the Director of Industries of the State. The following should be the main considerations in the selection of the site to locate the Small Industrial Estate:—

(*i*) Should be at Hqr. of Community Project/C.D. Block, started in 1952 or 1953;

(*ii*) Electricity should be made available for industrial purposes;

(*iii*) Availability of sufficient number of small entrepreneurs to start small industries in the proposed industrial estates; and

(*iv*) Proximity to market, facilities of communications, availability of water supply for industrial purposes, etc.

We shall be grateful if a reply is sent to this Ministry informing the selection of the location of the Smaller Industrial Estates, *by 15th May,* 1957.

As communicated in our earlier correspondence the size of a Small Industrial Estate to be located at C.D. Block headquarter would be at the cost of about Rs. 2 to 3 lakhs. Blue print and detailed schemes for Small Industrial Estates should be prepared with the assistance of the Regional Small Scale Service Institute and submitted to the Ministry of Commerce and Consumer Industry, as early as possible, with a copy endorsed to this Ministry.

Yours faithfully,

(Sd.) B. MUKERJI
Joint Secretary to the Government of India

COPY TO:—

Ministry of Commerce & Consumer Industry, (Dr. P. C. Alexander) —12 Copies.

Director of Industries, All States.

No. 19/13(11)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

9, *Jor Bagh,*
New Delhi, the 15*th April,* 1957

FROM

SHRI G. V. S. MANI, I.A.S.,
Under Secretary to the Government of India.

TO

The Development Commissioners,
(All State Governments).

SUBJECT—*Utilization of Dead Cattle for the production of Bone-meal, Meat-meal, etc.*

SIR,

I am directed to invite a reference to this Ministry's letter No. 19/IX(14)/55-Prg., dated the 6th June, 1956, addressed to all the Development Commissioners and to forward a copy of letter No. F.61(6)/56-AH(1), dated the 14th/18th March, 1957. It is hoped that the fullest advantage will be taken wherever possible of the valuable experience gained by the Uttar Pradesh Government in the matter. Further clarification, if any required, may be had direct from the Director of Agriculture, Uttar Pradesh, Lucknow as stated by the I.C.A.R.

Please acknowledge receipt.

Yours faithfully,

(Sd.) G. V. S. MANI
Under Secy. to the Govt. of India

Copy to the Secretary, I.C.A.R., Queen Victoria Road, New Delhi.

(Sd.) G. V. S. MANI
Under Secy. to the Govt. of India

INDIAN COUNCIL OF AGRICULTURAL RESEARCH

Queen Victoria Road,
New Delhi, the 14th/18th March, 1957

*No. F.*61(6)/56-*AH*(*I*)

FROM

The Under Secretary

To

All State Governments (except U.P.) and Union Territories.

SUBJECT—*Utilization of Dead Cattle for the production of Bone-meal' Meat-meal, etc.*

SIR,

I am directed to invite a reference to this Office circular letter of even number dated the 30th May, 1956 and to forward herewith copy of letter No. FM.15673/B-75/CUC, dated the 16th January, 1957 from the director of Agriculture, U.P. to the Government of U.P. which furnishes further particulars regarding the establishment of centres for the production of bone-meal etc. from dead cattle and the training course at the dead cattle utilization centres. Further clarification, if any, required may be had direct from the Director of Agriculture, U.P., Lucknow.

Yours faithfully,

(Sd.) Illegible
for Under Secretary.

Copy with a copy of the enclosure forwarded in continuation of this office endorsement of even number dated the 30th May, 1956 to:—

(1) The Directors of Agriculture/Animal Husbandry of all States except U.P. and Union Territories.

(2) The Ministry of Agriculture, M. Sec., New Delhi.

(3) The Ministry of Community Development, New Delhi with reference to letter No. 19/IX(14)/55-Prg., dated the 6th June, 1956 addressed to the Development Commissioners of States and copy to this office.

COPY FORWARDED TO:—

(1) The Govt of U.P., Agriculture (A) Deptt., Lucknow. This has reference to D.O. No. A-7244/XIIA-10(45)/54 dated 1st Feb., 1957 from Shri B. K. Joshi, Under Secretary to Govt. of U.P., to Shri P. L. Malhotra, Under Secretary to Govt. of India, I.C.A.R., New Delhi.

(2) The Director of Agriculture, U.P., Lucknow with reference to his letter referred to above.

By order,

(Sd.) Illegible
for Under Secretary.

COPY OF LETTER NO. FM-15673/B-75/CUC, DATED LUCKNOW, JANUARY 16, 1957 FROM THE DIRECTOR, AGRICULTURE, UTTAR PRADESH, LUCKNOW TO THE ASSISTANT SECRETARY TO GOVT., U.P., LUCKNOW.

SUBJECT—*Dead Cattle Utilization Centre.*

With reference to Indian Council of Agricultural Research's letter No. 61(6)56 A.H.(1) dated May 30, 1956 and Government endorsement No. 9630/XIIA-10(45)/54 dated July, 1956, I have the honour to enclose herewith tentative cost of establishing one cattle utilisation centre for your information together with necessary particulars for training of State nominees in cattle utilisation work. The centre to be economical should be situated in such areas where there are assured supply of at least 2,000-3,000 carcasses a year. Thus, one cattle utilisation centre can lift and handle all dead bodies from a group-of-villages with a total live-stock population of 60,000 heads. The centre should adopt most modern methods of flaying and curing of hides in addition to carcass utilisation. A detailed survey of the State should, therefore, be carried out for deciding the location of the manufacturing centres. The greatest difficulty, the centre may face, is vested interest of those that have been carrying out trade with these products and unless the centre can accommodate their interests as well it may have to face hostile activities.

At Dehra Dun centre we had to face and still facing some hostile activities from vested interests. Besides there are even otherwise very intelligent persons who can not bring themselves to accept the processing of dead bodies of live-stock for production of agricultural and industrial products. If it is possible to locate the centre near State 'Gosadans' it may work more successfully than localities where availability of carcass depends entirely on local cooperation.

The workers particularly those incharge of flaying units, digestion and drying should be well trained for the job. It would be possible for this State to train a small number of trainees from other States in this work. The training would last for three weeks and can be free of cost but the trainees will have to make their own arrangements for board and lodging etc. The trainees should be at least matriculates or having such academic and practical knowledge as is prescribed for members of Subordinate Service, Supervisor grade. A detailed syllabus for training is enclosed for your information. The manager of the factory should also be trained for at least six weeks on all aspects of this work.

I enclose herewith budget statement for establishing one cattle utilisation centre. The Statement is based on our own experience at Dehra Dun, and this is subject to changes according to local conditions.

Non-Recurring—

	Rs.
1. One Small Steam Generating Boiler	8,000
2. Two digesters (big)	5,000
3. One digester (small)	1,250
4. One powdering stone	80
5. One He-buffalo	600
6. Two steam drying chambers	1,600
7. Cost of building including fitting (or its rental at 200/- per mont ..	20,000
8. Flaying knives and other appliances	800
9. One tractor with two trailors	10,000
TOTAL ..	47,330

Economics—

1. Annual depreciation on building equipments	7,279
2. Staff expenditure (as per statement enclosed)	10,417
3. Manufacturing expenditure (Details enclosed)	12,461
TOTAL ..	30,157

Receipts—

1. Due to sale of hides of a minimum of 1,750 animals	17,500
2. Meat Meal 525 maunds @ Rs. 8 per maund	4,200
3. Bone Meal 525 maunds @ Rs. 8 per maund	4,200
4. Tallow 87 maunds @ Rs. 30 per maund	2,610
5. Guts 21 maunds @ Rs. 200 per maund	4,200
6. Horn and Hoof 43 maunds @ Rs. 15 per maund	645
TOTAL ..	33,355

A. *Detailed syllabus for training at Dead Cattle Utilization Centres.*

(1) Elementary physiological and anatomical knowledge of different animal bodies.

(2) Practical training in flaying of carcass, in chopping of skeleton, in the preparation of meat-meal, bone-meat, etc.

(3) Practical training in the preparation of Guts.

(4) Preparation and refinement of a Tallow.

(5) Training in handling equipments dealing with high steam pressure.

(6) Maintenance and overhauling of bone digesters, boilers, dying ovans, etc.

(7) Bagging, storage and disposal.

(8) Elementary knowledge of plant nutrition and manuring.

BUDGET STATEMENT FOR ESTABLISHING OF A CATTLE UTILISATION CENTRE

Serial No.	*Staff*	*Scale of pay*	*Pay*	*D.A.*
		Rs.	Rs.	Rs.
I. *Staff*—				
1.	One Manager in Subordinate Agricultural Service group II	120—5—250	1,440	360
2.	Mechanic-cum-Boilerman ..	75—5—120	900	300
3.	One digester assistant	40—2—60	480	240
4.	One Drying Room Assistant ..	40—2—60	480	240
5.	One Flayer	40—2—60	480	240
6.	One Fireman	27—1/2—37	324	240
7.	One Chowkidar	27—1/2—37	324	240
8.	One Jamadar	2/-/- per day	730	—
9.	Two Labourers	1/8/- per day	1,095	—
10.	One tractor Driver	40—2—60	480	240
11.	One Clerk	60—3—90	720	300
12.	One peon	27—1/2—37	324	240
		TOTAL ..	7,777	2,640
			7777	
			2640	
		TOTAL ..	10,417	

	Rs,
II. *Allowance & Honoraria*	1,000
III. *Contingencies (Recurring)*—	
1. Cost of fuel oil for tractor	1,000
2. Cost of steam coal	1,483
3. Cost of fuel wood	183
4. Insecticides, salts, etc.	400
5. Contracts from 5 Panchayats (or cost of carcass)	5,200
6. Cost of bags	400
7. Miscellaneous labour @ Rs. 3 per day for lifting	1,095
8. Sundry expenditure on bagging, sewing, picking, etc.	200
9. Cost of powdering of meat and bone meal	500
10. Office contingencies including hot and cold weather charges	1,000
TOTAL	12,461

No. 9(1)/57-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

9, Jor Bagh,
New Delhi, the 11th May, 1957

FROM

SHRI A. MOBIN, I.A.S.,
Deputy Secretary to the Government of India.

TO

The Development Commissioners,
All State Governments.

SUBJECT—*Pilot Projects (Cottage & Small-Scale Industries).*

SIR,

The Action Committee meeting held on 15th April, 1957 considered the question of defining further the objects and scope of pilot projects (cottage & small scale industries) in the light of past one year's working and experience. It was felt that the following would cover some of the objects of the pilot projects:—

(*a*) to develop cottage and small scale industries in the pilot projects in a coordinated and integrated manner taking into consideration the various schemes of the six All India Boards;

(*b*) to develop a pattern of industrial extension service that would be necessary in undertaking a rural industrial programme in C.D. Blocks and N.E.S. areas;

(*c*) to act as laboratories for controlled observations to find possible solutions to problems that have come up in the field of cottage and small scale industries;

(*d*) to study the possibilities of planning for rural industries with people's participation;

(*e*) to study the possibilities of developing markets for products of cottage industries locally with the participation of people and project staff; and

(*f*) to assess experiences of these pilot projects and make use of such experiences in the field of development of cottage and small scale industries in other C.D. Blocks and N.E.S. areas in the country.

The Action Committee also discussed the suggestion for selecting important problems in the field of cottage and small scale industries for controlled observations in the pilot projects and the recommendations of the Committee were considered by the Development Commissioners' Conference held at Mussoorie from 26th to 30th April, 1957. A list of problems and questions selected by the Conference for which solutions could be attempted through the working of the pilot projects is given at Appendix I. It is suggested that the State Governments may take suitable action to find solutions for these problems and questions by continued observation in the pilot projects. A report of their observations and experiences on these problems and questions in the first instance, may be sent to this Ministry by the first week of October, 1957. It is our intention to circulate these reports on these observations and experiences to all State Governments and also to discuss them at the next seminar for cottage and small scale industries which is likely to be convened before the end of 1957.

In this connection it is emphasised that the problems and questions listed in Appendix I are to be put under continuous observation in the pilot projects and the experiences and findings, which are evolved, have to be registered from time to time. The report requested in October, 1957 on these observations is only the first instalment and further reports on these observations and experiences may kindly be furnished from time to time, as a result of working through the pilot projects. The interval between the reports can be decided by the next seminar for cottage and small scale industries.

The receipt of this communication may kindly be acknowledged.

Yours faithfully,

(Sd.) A. Mobin,
Deputy Secy. to the Govt. of India.

Copy to:—

(1) Ministry of Commerce & Industry (Shri U. L. Goswami, I.C.S., Dr. P. C. Alexander, I.A.S. and Smt. P. Johari—2 copies each).
(2) Secretaries, All India Boards (10 copies each).
(3) Secretary, Khadi & Village Industries Commission (10 copies).
(4) Members of Action Committee.
(5) Director (Industries), All State Governments.
(6) Registrars, Cooperative Societies, All State Governments.
(7) Community Project Officers (Industries), All State Governments.
(8) Officers of Ministry of Community Development.

(Sd.) A. Mobin
Deputy Secy. to the Govt. of India.

Problems for which solutions could be attempted through working of Pilot Projects and questions for observation.

1. Industrial Cooperatives—

(*a*) Is there any resistance to joining such organisation (i) on the part of newly trained artisans, and (ii) on the part of old artisans ? If so, what is this due to and how can it be overcome ?

(*b*) What are the difficulties into which Industries Cooperatives in the Pilot Project have run into? What are the lessons to be learnt from this state of things ? Can new Societies avoid getting into such difficulties and if so how ? How can the existing difficulties be overcome and these Societies made to run efficiently ?

(*c*) What are the limits of cooperation in the field of Industrial Co-operation ? Taking each article of production in the Project, has industrial cooperation led to more efficiency in production, more assured income for the artisans, than individual production? Is cooperation a means or an end? **If it is a means only, what is the optimum quantity of cooperation for each Industry in the Project ?**

(*d*) (*i*) What is the composition of membership of industrial co-operatives ?

(*ii*) What is the percentage of actual workers who are members ?

(*iii*) Who are the office bearers ?

(*iv*) How many non-workers hold office in the operatives ?

(*e*) Have small capitalists and entrepreneurs been admitted as share holders ? What is their number, share contribution and percentage to the total share capital ?

2. Production-cum-training centres—

(*a*) It is better to run the Production and Training Units separately or together ?

(*b*) What is the scope for the working of such Centres as a means of (i) enabling the spread of industrial and mechanical talent, and (ii) increasing production in particular industries.

(*c*) Do any of the **Production Centres run** at a loss and if so what are the reasons ? What can be done to remove such factors and enable the Centre to run at a profit ?

3. (*a*) It is essential to encourage increased consumption of village industries products in the neighbourhood of production. Marketing is the biggest stumbling block in the spread of village industries and increase in local consumption will help greatly in this respect. The main difficulties that will be encountered in increasing local consumption are (a) quality, (b) price, when a comparison is made of the products of village industries, and products of factories brought into the local area for consumption. Can such consumer preferences be overcome (i) by appealing to local sentiment, (ii) by barter arrangements, and (iii) in any other way ?

3. (*b*) How far peoples' participation could be mobilised in promoting markets locally for cottage and small scale industries' products ? What are the ways and means to make the people feel it obligatory to buy things produced locally in order to assist cottage industries and to provide additional opportunities of employment to the under-employed and unemployed of the area ?

4. (*i*) Government aid being given to Village Industries and Small Scale Industries in a number of ways, and to a varying extent for the different industries. Could it be possible to test the combined effect of all possible Government aid, to say a few selected industries in the Projects ? The kind of government assistance provided at present includes :—

(*a*) Training of artisans.

(*b*) Financing the artisan to set himself up in business.

(*c*) Laying out Industrial Estates for occupation by Artisans.

(*d*) Supply of equipment needed for setting up the industry, through Government Agencies.

(*e*) Subsidy on the use of electric power.

(*f*) Supply of designs and patterns.

(*g*) Quality control of products.

(*h*) Government purchase of all quantities of the product offered (i) for government consumption and (ii) for sale in Government Emporium.

(*i*) Provision of repair and service facilities.

(*j*) Provision of Common facility centres.

4. (*ii*) The quantum of subsidies being given for various cottage and small industries should be studied with a view to find out whether they are adequate or not.

5. It will be useful if experiments can be made on the optimum utilisation of earnings made in new Industries in the Project (or by improved existing industry). Artisan in many industries must be earning a good income as a result of the Pilot Project. How are they spending the additional income ? How far will we succeed if we make a deliberate effort to get the additional income spent on items like (a) building one's own house, or if the artisan owns a house already, making additions to it (b) introducing labour saving devices in the home (c) introducing art and beauty in the home (d) persuading the artisans to join local institutions (e) persuading the artisans to acquire for himself and his family more education, (f) persuading the artisans to spend more money on recreation such as excursions, picnics, musical concerts etc.

6. What has been the experience with training programmes for craftsmen and industrial work-men generally ? Have trainees in the pilot projects found work on conclusion of their training, or have they gone into production of their own or they have remained unemployed ? What circumstances seem to determine the success or failure in this respect ? What conditions are necessary for obtaining best results for such programmes ?

7. (*i*) It will be useful if a study could be made to find out how quickly an artisan working according to the traditional methods can be induced to accept all the improvements advocated by the government for his craft. Such experiments may be laid out for (a) weaver (b) cobbler (c) carpenter (d) blacksmith (e) potter, etc.

(*ii*) Does experience show that a traditional blacksmith could readily and successfully be trained to make repairs to Diesel pumps and improved agricultural implements and other types of modern equipment ? When they acquire these new skills, do they find enough work in the project areas to make it worth their while ?

8. (*a*) Do common facility centres designed to do service for small industries work successfully to the service of artisans ?

(*b*) What has been the experience with mobile demonstration vans as means of stimulating small industry development in the pilot areas, and what techniques for the use of such vans are to be recommended ?

9. What kinds of people have proved to be promising sources of successful entrepreneurs and what techniques have helped to stimulate these people to undertake entrepreneurial activity in the field of small industries ?

10. Where a programme of rehousing and rebuilding of villages has been put into effect, has this in practice resulted in expansion of small industries in supplying building equipment and materials, builders hardware, etc. ? What lessons can be drawn from any experiences had thus far, about the ways in which such rehousing and rebuilding programme might be linked with efforts at village industrial development ?

11. Type schemes introduced in pilot project areas should be tested from the point of view of their economics and workability.

12. Employment-investment ratio in the main cottage and small industries should be studied and especially the earning levels in each industry.

13. Demand analysis should be made for as many major products as possible.

14. A survey of persons from castes other than the traditional caste who have taken training and started production in a particular industry should be conducted.

No. 29(19)/57-TG

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, June 10, 1957.

To

All Development Commissioners/
Directors of Industries/
Registrars of Cooperative Societies.

SUBJECT—*Integrated programme of training of Block Level Extension Officers (Ind.) in Small Industries Service Institutes (4 months) and Khadi Gramodyog Mahavidyalaya (8 months).*

SIR,

The next course of training of the Block Level Extension Officers (Ind.) will commence from 20-8-57 in the four Regional Small Industries Service Institutes. After completion of their training of 4 months, the trainees will report to Khadi Gramodyog Mahavidyalayas for their subsequent period of training of 8 months in Khadi & Village Industries. Steps are being taken by the Development Commissioner, Small Industries, Government of India to increase the training capacity of each of the 4 Regional Small Industries Service Institutes from the existing strength of 50 in each batch to 100 with effect from the ensuing session, so that the number of trained persons required for all the blocks of the country (estimated at 5,000 approximately) may be trained within these 4 years of the 2nd Five Year Plan period. The All India Khadi & Village Industries have also made a similar move to start three additional Khadi and Gramodyog Mahavidyalays (at Patna, Bangalore & Hyderabad) besides the existing Mahavidyalays at Wardha, Nasik, Nilokheri and Kallupatti with the same object in view.

A list indicating the estimated requirement of persons trained and under training together with allotment of trainees to each State for the forthcoming session at Small Industries Service Institutes has been enclosed. It is requested that necessary steps may kindly be taken to ensure selection/recruitment of the Block Level Extension Officers (Ind.) in time so that they can report to the Regional Institutes on or before the 20th August, 1957 as per tentative distribution list attached.

As the training capacity of the Regional Institutes is proposed to be made double the present capacity from the ensuing session the Development Commissioner, Small Industries Services has suggested that an equal number of persons allotted to each State as per enclosure may also kindly be selected and kept in the waiting list so that in case the capacity gets increased from this course itself, the States may depute them also to join the Regional Institutes in time. Copy of the communication from the Development Office (Training) Small Industries in this connection is enclosed. The final decision of Development Commissioner will be communicated soon.

If any State desires to send more than the allotted quota, necessary intimation may kindly be sent to this Ministry immediately. A reply confirming the number of officers to be sent with indication as to the number of persons kept in the waiting list and the additional quota desired, may very kindly be sent to reach this Ministry by 10-7-57, at the latest for necessary re-allocation of seats, if any.

I shall be grateful, if you very kindly see that the allotted number of trainees is sent to the Institutes as per plan envisaged. From the attached statement it would be evident that the numbers trained so far fall considerably short of the requirements even for the blocks allotted so far. I need hardly emphasize that inadequacy of utilisation of the training capacity will not only mean to involve the Institutes in disproportionate training expenditure but will also result in dislocation of the target of achievement by the contemplated time limit.

It will be quite helpful, if the columns No. 3 & 4 of the enclosure indicating the persons trained and under training be kindly checked up and corrections, if any, be intimated for necessary action at this end.

Yours faithfully,

(Sd.) Abid Hussain
Deputy Secretary to the Govt. of India

Copy to :

(1) The Development Commissioner, Small Scale Industries, 114 Sundernagar, New Delhi.

(2) Shri K. L. Nanjappa, The Development Officer (Training), Small Scale Industries, 114, Sundernagar, New Delhi.

(3) Regional Directors, Small Industries Service Institutes :—

(a) Delhi.
(b) Madras.
(c) Calcutta.
(d) Bombay.

(4) Director, Training, All India Khadi & Village Industries Commission,
Mistry Bhawan,
Dinshaw Watchha Road,
Bombay.

Tentative list of distribution of Block Level Extension Officer for the training in the Regional Institutes in the fifth session commencing from 20-8-57.

Calcutta Small Industries Service Institute

(1) West Bengal	.. ..	12
(2) Orissa	.. .. ..	8
(3) Bihar	.. .. ..	20
(4) Assam	.. .. ..	5
(5) Manipur	.. ..	1
(6) Tripura	.. ..	1
(7) U.P.	.. .. ..	13
Total	..	60

Delhi Small Industries Service Institute

(1) Punjab	.. .. ..	8+7	(7 officers now under training at Khadi Gramodyog Mahavidyalay, Nilokheri.)
(2) U.P.	.. .. ..	15+25	(25 officers now under training at Khadi Gramodyog Mahavidyalay, Nilokheri.)
(3) Himachal Pradesh	..	2	
(4) Delhi	.. .. ..	1	
(5) Jammu & Kashmir	..	2	
Total	..	28+32	

Bombay Small Industries Service Institute

(1) Bombay	.. ..	30
(2) Madhya Pradesh	..	20
(3) Rajasthan	.. ..	10
Total	..	60

Madras Small Industries Service Institute

(1) Madras	.. .. ..	20	
(2) Andhra	.. .. ..	20	
(3) Kerala	.. .. ..	10	
(4) Mysore	.. .. ..	10	
Total	..	60	=208+32 under training at Nilokheri Gramodyog Mahavidyalay.

Statement showing the persons trained and to be trained at the Small Industries Service Institutes and the Khadi Gramodyog Mahavidyalaya. As on 1-6-1957.

Serial No.	State	Requirement by the end of 2nd Five Year Plan (approximate estimates.)	Nos. required for blocks allotted upto date (approx)	Persons trained	Persons under training in S.I.S. Institutes and Khadi Gramodyog Maha Vidyalays.	Total of 5 & 6	Balance Nos. to be trained by 1961.	Allotment of the seats for the fifth course commencing the S. I. S. I. on 20-8-57 on the basis of present capacity.*
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	West Bengal	320	102	4	10	14	306	12
2.	Orissa	220	104	28	—	28	192	8
3.	Bihar	580	213	28	15	43	537	20
4.	Assam	135	54	14	1	15	120	5
5.	Manipur	16	5	3	1	4	12	1
6.	Tripura	15	5	2	5	7	8	1
7.	Punjab	230	90	8	33	41	189	8
8.	Uttar Pradesh	895	269	31	64	95	800	28
9.	Rajasthan	230	93	11	34	45	185	10
10.	Jammu and Kashmir ..	52	33	3	—	3	49	2
11.	Himachal Pradesh	37	25	4	7	11	26	2
12.	Delhi	8	2	1	—	1	7	1
13.	Madras	490	106	28	39	67	423	20
14.	Andhra	400	146	35	45	80	320	20
15.	Kerala	135	54	10	10	20	115	10
16.	Mysore	190	65	13	27	40	150	10
17.	Bombay	665	204	38	57	95	570	30
18.	Madhya Pradesh	422	182	27	41	68	354	20
	TOTAL ..	5,040	1,752	288	389	677	4,363	208

*The capacity at each of the Institutes is likely to be doubled in which case an additional equal number of trainees could be provided for from each State.

No. 2(8)/57-Sec. II

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND CONSUMER INDUSTRY

OFFICE OF THE DEVELOPMENT COMMISSIONER, SMALL SCALE INDUSTRIES,

114, *Sundar Nagar,*

New Delhi, the 30*th May*, 1957

MY DEAR SARKAR,

Please refer to your D.O. No. 29(6)/57-TG, dated the 4th May, 1957, and also to the discussions we had in our office about increasing the training strength of Block Level Extension Officers (Industries) in our Regional Institutes.

After taking into consideration the request made by the Ministry of Community Development, the Development Commissioner has agreed to recommend to the Ministry of Commerce and Industry an increase in the training strength of the Block Level Extension Officers (Industries) in each Regional Institute to 100. On this basis we will be nearly doubling the training strength, *i.e.,* 400 officers per course in all our Regional Institutes. The Directors of the Regional Small Industries Service Institutes at Madras, Calcutta, Bombay and New Delhi were also consulted in the matter and all of them had suggested for appointment of additional staff and grant of funds for few additional items of recurring expenditure if they are to train 100 officers per course instead of 50 as at present. A proposal has been sent to the Ministry of Commerce and Industry requesting them to convey sanction for the appointment of additional staff and also for a grant of Rs. 1,11,340 to proceed with the training of 100 officers in each of the Institutes from August, 1957.

As you are aware, the proposal has to be examined both in our Ministry and in the Ministry of Finance and it may take some time before a decision is arrived at. The increased number of trainees can be trained only on receipt of the sanction and not otherwise. The present training course started on the 1st April, and it will be over by the 31st July, 1957. After the close of this course we intend to have a seminar of all the officers engaged in training. Therefore, the next training course is scheduled to start on 20th August, 1957.

It is quite possible that we may receive sanction from our Ministry just before the commencement of the training course, in which case we would like the candidates to join our Institutes in time. For this purpose we request you to kindly keep a waiting list consisting of 50 persons for each of the Institutes divided into two parts of 25 each. Both lists will be used if the Ministry agrees to increase the number to 100 per Institute and only the first list will be utilised if the number agreed to is only 75. In this connection you may kindly write to all the State Governments asking them to keep the required number of persons in waiting lists as per your quota and send those candidates to our Regional Institutes on receipt of communication from our Regional Directors or from your office. In this way, on the whole, we will be able to train 100 officers from August, 1957, in each of our Institutes.

If the additional grants and sanction from our Ministry were not received in time, you might ask the State Governments to depute the persons in the waiting list for the next training course which would commence in the month of December, 1957.

Yours sincerely,

(Sd.) K. L. NANJAPPA

SHRI A. SARKAR,
C.P.O. (Industries),
Ministry of Community Development,
Government of India,
New Delhi.

COPY TO:—

(1) Shri A. D. Bohra, Director of Training, Ministry of Community Development, New Delhi.
(2) Ministry of Commerce and Industry, New Delhi.
(3) Directors of all the Regional Small Industries Service Institutes.
(4) All J.D.Cs.

(Sd.) K. L. NANJAPPA
29-5-1957

No. 19/III(2)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

Queen Victoria Road,
New Delhi, the 15th June, 1957

FROM

SHRI G. V. S. MANI, I.A.S.,
Under Secretary to the Government of India.

TO

The Development Commissioners,
All State Governments.

SUBJECT—*Supply of Sewing Machines on hire-purchase basis.*

SIR,

I am directed to refer to Item 3-Small Industries Corporation under the recommendations on Agenda—Item No. II(ii) of the Rajgir Seminar of C.P.Os. (Ind.) held from 7th to 9th February, 1957, copies of which

were forwarded to the State Governments with this Ministry's circular letter No. 10(3)/57-Prg., dated 1st March, 1957. In this connection a copy of a letter No. NSIC/SM/9(36-M)/57, dated 25th May, 1957 received from the National Small Industries Corporation (Private) Ltd. is forwarded herewith for information and guidance.

Yours faithfully,

(Sd.) G. V. S. MANI
Under Secy. to the Govt. of India

COPY OF LETTER NO. NSIC/SM/9(36-M)/57, DATED THE 25TH MAY, 1957 RECEIVED FROM THE DEPUTY MANAGER, THE NATIONAL SMALL INDUSTRIES CORPORATION (PRIVATE) LTD., RANI JHANSI ROAD (M. M. ROAD), NEW DELHI TO SHRI G. F. MANKODI, DEPUTY SECRETARY, GOVT. OF INDIA, MINISTRY OF COMMUNITY DEVELOPMENT, NEW DELHI.

SUBJECT—*Supply of Sewing Machines on hire-purchase basis.*

Kindly refer to the recommendations of the Sub-committees and approved at Seminar of Community Project Officers held at Rajgir, Bihar on 7th February, 1957. Recommendations relating to Small Industries Corporation, regarding Hire-Purchase of machines including sewing machines are given below:—

(a) & (b) *Hire-Purchase of Machines including Sewing Machines.*

(*i*) The National Small Industries Corporation may circulate to all Development Commissioners, Directors of Industries and Community Project Officers (Industries) a list of machines in stock and a list of easily procurable general purpose machines along with costs and approximate delivery periods.

(*ii*) In order to decentralise and speed up sanctioning of hire-purchase applications the National Small Industries Corporation may consider authorising the Assistant Directors of Industries, District Industries Officers and Community Project Officer (Industries) subject to the approval of State Governments to accept applications in respect of specified machines included in the two lists cited above along with 10 per cent deposit and sanction them subject to a suitable overall financial limit.

In this connection we have to state, that the list of machine tools available with the Corporation *ex*-Stock or on order from abroad and from indigenous sources are under print. This can be circulated very shortly to all Development Commissioners, Directors of Industries and Community Project Officers (Industries), as suggested.

Regarding paragraph two, it is neither advisable nor possible to recover 10 per cent of the price of the machine as earnest money from the applications, before ascertaining whether a particular machine at the time is available for delivery or not. As the demand for machines is considerable and more than one application are likely to be received for one and the same machine, it is not proper that an advance be accepted without knowing the true position of the machines.

The Conference of the Joint Development Commissioners, Directors of Small Industries Service Institutes and the Managers of Subsidiary Corporations was held under the Chairmanship of Shri Satish Chandra, I.C.S., the Development Commissioner, on the 21st of March, 1957. It was decided, that the following items of work be carried by the Holding Corporation:—

(1) Administrative approval of applications for machines from the Subsidiary Corporations, duly recommended for final acceptance or rejection.

(2) Issue of acceptance or rejecting applications to the concerned Subsidiary Corporation.

(3) Assessing the suitability of the proposed machinery and giving alternative suggestions to applicants wherever necessary under advice to Subsidiary Corporation.

In view of the above, it would not be possible for various Assistant Directors of Industries, District Industries Officers and Community Project Officer (Industries) to accept applications in respect of machines alongwith 10 per cent deposit and sanction supply of machines. Under these circumstances, we have to inform you, that the applications for the supply of machines may be forwarded to the Subsidiary Corporation concerned who would collect the earnest money, after the applications have been accepted by the Holding Corporation.

Yours faithfully,

(Sd.) J. D. Khosla
Deputy Manager (H/P)

EXPRESS DELIVERY

No. 29(19)/57-TG

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 18*th June,* 1957

From

Shri D. R. Bhatia,
Under Secy. to the Govt. of India.

To

The Development Commissioners/
Chief Commissioners,
All State Governments/Administrations.

Subject—*Training of Extension Officers (Industries) at Khadi Gram Udyog Mahavidyalayas for* 8 *months' training starting from 8th August,* 1957.

Sir,

Extension Officers (Industries) who are undergoing training at Regional Institutes of the Small Scale Industries Board at Delhi, Calcutta, Bombay

and Madras, may kindly be asked to report to Khadi Gramodyog Mahavidyalayas as per statement attached for 8 months' training starting from 1st August, 1957.

As these trainees will be completing their course at the Small Industries Service Institutes on 31st July, 1957, it is expected that they may take some joining time to reach the Khadi Gramodyog Mahavidyalayas. It is, therefore, suggested that they may be advised to reach their respective Mahavidyalayas not later than 8th August, 1957.

Yours faithfully,

(Sd.) D. R. BHATIA
Under Secy. to the Govt. of India

COPY TO:—

(1) Directors of Industries of all State Governments.
(2) Director (Training), All India Khadi and Village Industries Board, Mistry Bhavan, Dinshaw Wachha Road, Bombay.
(3) Development Officer (Trg.), Small Scale Industries Board, 114, Sunder Nagar, New Delhi.
(4) The Principals, Khadi Gramodyog Mahavidyalayas, Sadakat Ashram, Patna/Nilokheri/Krishnarajapuram (Bangalore)/ Hyderabad.
(5) The Directors, Regional Small Industries Service Institutes, Madras, Calcutta, Bombay and New Delhi. 50 copies of rules as generally enforced in the Mahavidyalayas are enclosed. These may kindly be distributed to the trainees for information.

(Sd.) D. R. BHATIA
Under Secy. to the Govt. of India

ALL INDIA KHADI AND VILLAGE INDUSTRIES BOARD

Rules for the trainees of the Khadi Gramodyog Mahavidyalayas.

(1) A trainee should wear Khadi only.
(2) He should wash his clothes himself.
(3) He should bring with him the following articles: Charkha, Bucket, Thali, Katories 2, Lota, Box to keep his things and bedding made of Khadi.
(4) Smoking, chewing tobacco, etc., are strictly prohibited in the Vidyalaya and hostel.
(5) There will be no arrangements in the hostel for the stay of student's family, guests and friends.
(6) If his conduct is not found to be satisfactory or if his stay in the Vidyalaya is otherwise considered undesirable, he may be expelled from the Vidyalaya any time without giving any reasons.
(7) He will have to meet all the special expenses connected with his sickness, if any, himself.

(8) Boarding expenses will be met by the student from his stipend.

(9) Manual work (such as Cleaning, Scavenging, Grinding, Cooking, Gardening, etc.) will be done by the trainees themselves. No servant will be kept for these purposes.

(10) No caste or religious distinction will be recognised in the hostel or Vidyalaya. All students will be treated as equals.

(11) He will not be allowed to go home during the period of his training. The Principal, however, has the discretion to make exceptions in cases of urgent necessity. Students will not be entitled to draw stipends for the period of leave.

(12) He will be expected to take interest in all items of constructive work.

(13) Rules of the Vidyalaya and the hostel may be altered as and when necessary.

Statement indicating the number of under-training Extension Officers (Industries) required to join the Khadi Gramodyog Mahavidyalayas from the Small Industries Service Institutes with effect from 8-8-57 for the remaining period of 8 months' training in Village Industries.

Name of the Institute in which under-going training		Total No. of trainees under-going training State-wise.	No. of under-trg. having previous training in Maha-vidyalayas.	No. of trainees required to report to Maha-vidyalayas (State-wise).	Name of the Mahavidyalaya where they will join.
1. Calcutta Small Industries Service Institute.	Bihar	2	—	2	Sadakat Ashram (Patna).
	Manipur ..	1	—	1	
	Tripura ..	1	—	1	
	West Bengal ..	4	—	4	
	Rajasthan ..	4	4	—	
	Andhra Pradesh	19	—	19+14*of Andhra at Madras S.I.S.I.	
		31	4	27+14	41
2. Delhi Small Industries Service Institute.	Punjab ..	8	—	8	Nilokheri
	Rajasthan ..	18	6	12	
	Uttar Pradesh	25	9	16	
		51	15	36	36
3. Madras Small Industries Service Institute.	Madras	20	—	20	Krishnarajapuram (Bangalore).
	Mysore ..	20	—	20	
	Andhra Pradesh	14	—	—	
	Madhya Pradesh	10	10	—	
		64	10	40	40
4. Bombay Small Industries Service Institute.	Bombay ..	42	17	25	Hyderabad
	Madhya Pradesh	23	—	23	
		65	17	48	48

No. 2(2)/57-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 11th July, 1957

FROM

SHRI G. V. S. MANI, I.A.S.,
Under Secy. to the Govt. of India.

TO

The Development Commissioners,
All State Governments.

SUBJECT—*Small Scale Industries Co-ordination Committee of Small Industries—Minutes of the meeting held on* 8*th June,* 1957.

SIR,

The Action Committee at Centre for Pilot Projects (Cottage and Small Scale Industries) has since been replaced by the Co-ordination Committee for Small Industries under the Chairmanship of the Minister of Commerce and Industry. The first meeting of that Committee was held in New Delhi on 8th June, 1957. I am to forward herewith a copy of the minutes of that meeting.

2. It would be appreciated if necessary action on the various recommendations with which the State Governments are concerned is initiated under intimation to this Ministry.

Yours faithfully,

(Sd.) G. V. S. MANI
Under Secy. to the Govt. of India

Copy forwarded for information to the Ministry of Commerce and Industry, New Delhi.

(Sd.) G. V. S. MANI
Under Secy. to the Govt. of India

IMMEDIATE

No. 40-SSI(B)(72)/57

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

New Delhi, the 15th June, 1957

MEMORANDUM

SUBJECT—*Small-Scale Industries Co-ordination Committee of Small Industries—Minutes of meeting held on 8th June,* 1957.

A copy of the minutes of the first meeting of the Co-ordination Committee of Small Industries held on Saturday the 8th June, 1957 is forwarded herewith.

(Sd.) M. S. SADASIVAN
Under Secy. to the Govt. of India

To

(1) Minister of Commerce and Industry.
(2) Minister of Commerce.
(3) Minister of Industries.
(4) Minister of Community Development.
(5) Deputy Minister of Planning, New Delhi.
(6) Chairman, Khadi and Village Industries Commission, Mistry Bhavan, Dinshaw Wachha Road, Fort, Bombay.
(7) Chairman, All India Handicrafts Board, New Delhi.
(8) Secretary, Ministry of Commerce and Industry, New Delhi.
(9) Secretary, Ministry of Community Development, New Delhi.
(10) Chairman, Central Silk Board (and Chairman, All India Handloom Board), Ballard Estate, Bombay.

The Chairman inaugurating the first meeting of the Committee observed that the objective was to secure greater co-ordination between different organisations concerned with the development of small and cottage industries. The intention was that activity of each unit should increase and impediments arising in their day-to-day work considered and removed expeditiously. Another object was to create confidence in these organisations so that they could work more effectively. Once their programmes were approved, there would be no difficulty in their carrying them out. The Committee should see that no hitches, intentional or unintentional, occurred in the working of these bodies. The Committee would be only co-ordinating and would not encroach on the autonomy of the organisations. Another object in setting up the Committee was to see that the work in the Community Development Blocks was accelerated. By the end of the Second Five Year Plan the entire country would be covered by the National Extension Service Blocks and it was necessary that small industries spread all over the country were organised on sounder lines.

2. The suggestion that the Coir Board should also be represented on this Committee was accepted. The Chairman and Secretary of the Coir Board may be nominated as members on the Committee. In answer to an enquiry from the Deputy Minister of Planning, the Chairman observed that the Co-ordination Committee would work mainly informally on suggestions received from the various Boards. It was also agreed that the Action Committees in the States which will now be replaced by States' "Co-ordination Committees on Small Industries" and will include the Development Commissioners as members in these State Committees. These Committees in the States should also report direct to this Committee. It was also agreed that the quarterly report of the work done by the various Boards should be placed before the Committee at its appropriate next meetings.

3. After certain preliminary observations from those present, the different items in the agenda of the meeting were taken up for discussion.

4. *Item* (1)—*Recommendations and conclusions of the Mussoorie Conference of Development Commissioners on Village and Small Scale Industries.*

The Committee decided as follows:—

(*a*) The first reports of the survey of some of the pilot projects have been received. They should be discussed at the official level without waiting for the receipt of all the reports and a summary of the conclusions should be put up at the next meeting of the Co-ordination Committee.

(*b*) It was noted that a Joint Development Commissioner is being specially appointed to expedite the setting up of Industrial Estates including rural industrial estates. It would be his duty to be continually in touch with the State Governments with a view to expedite action on all Industrial Estates.

(*c*) It was noted that the State Governments are being supplied with alternative models for strengthening the staff of their departments of industries. It was clarified that this included the staff required for the industrial cooperatives. The Committee considered that some training to such staff should be provided. It was mentioned that field officers were being given certain training but that all States had not taken full advantage of the scheme. All States should be requested to do so.

(*d*) On the question of delegating powers of sanctioning specific items to the State Action Committee (now State Co-ordination Committees), it was felt that delegation should take place when the Central Boards had corresponding State Boards. It was thought that at the State level small scale industries and handicrafts might come under one Board. The Chairman of the All India Handloom Board, mentioned that the State Boards dealing with handlooms scarcely met two or three times in a year. It was decided that States where such lack of interest had been observed should be addressed and requested to meet at least once in three months.

(*e*) The Committee noted that the question of lump allotments to the States for small scale and village industries in the N.E.S. Blocks was receiving attention. However, for the larger question of financing for Small Industries, a Committee would be

set up of the representatives of the Ministry of Finance, the Reserve Bank of India or the State Bank of India, the Ministry of Commerce and Industry and Ministry of Community Development to consider this question and to make recommendations. The Ministry of Commerce and Industry would convene such a Committee shortly.

Item (2)—*Appointment of a working group to examine the question of development of industrial cooperatives.*

The suggestion of the Planning Commission that a working group should be set up consisting of the representatives of Ministries of Food and Agriculture, Commerce and Industry, Community Development and the Planning Commission to examine the question of development of industrial cooperatives during the period of the Second Plan in consultation with experienced Registrars of Cooperative Societies from various States was approved. It was also decided that a communication should be addressed to all the States to consider the question of allowing provisional registration of such industrial cooperative societies.

Item (3)—*Consideration of the proposal that rice hullers and oil expellers are not introduced in areas where scheme for developing the rice handpounding industry or ghani oil industry are in operation.*

The Committee noted that in so far as installation of new power driven oilseeds crushing mills were concerned, Government had, in the past, already decided that no more such units should be set up except in areas where alternative methods for crushing oilseeds were not feasible. As regards the introduction of huller machines for dehusking paddy, the Chairman informed the Committee that the question was now under the consideration of the Economic Committee of the Cabinet.

Item (4)—*Consideration of the proposal to extend to wool weavers aids similar to those allowed under the programme of the All India Handloom Board.*

The Chairman, All India Handloom Board stated that cooperative societies of wool weavers were already entitled to various financial assistance under the approved pattern of his Board. The Chairman, Khadi and Village Industries Commission, who had suggested this item for discussion, mentioned a specific instance where such assistance was alleged to have been denied. The Chairman, Handloom Board, stated that he would make a proper enquiry and rectify the lacuna or difficulty if any.

Item (5)—*Re-organisation of Small Industries Organisation.*

The Note which had been circulated in this connection was for information only. This was going to be the future pattern of organisation as thought out by the Ministry for its work in the States. The members of the Committee were requested to send in their suggestions, if any, on this note. It was agreed that the Development Commissioner should be a member of the State Coordinating Committee.

The Chairman of the All India Handloom Board, stated that his Assistance Directors would be ready to help the Handicrafts Board to the extent desired. There was also general agreement that in the bigger cities there should be common emporia for both handicrafts and handloom products.

No. 29(19)/57-TG

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 23rd July, 1957

FROM

SHRI RAM SAHAY,
Under Secy. to the Govt. of India.

To

The Director of Training,
The Khadi and Village Industries Commission,
Mistry Bhavan,
Bombay-1.

SUBJECT—*Training of Extension Officers (Industries).*

SIR,

Shri P. M. Mathai, Community Project Officer (Cottage Industries) of this Ministry went to Wardha on 8th July to attend the Conference of the All India Khadi and Village Industries Board. He took the opportunity of visiting Mahavidyalaya of the Khadi and Village Industries Commission at Wardha where Extension Officers (Industries) are being trained. It has been observed that excepting for training in traditional charkha, Ambar Charkha and soap making, there is no arrangement for practical training in many of the village industries at this Training Centre. This point was brought to the notice of Khadi and Village Industries Board on the 8th afternoon and was also brought to the notice of Shri Kapadia who promised to examine if practical training in other industries could be provided. It is likely that facilities for training in various village industries may not exist in other Vidyalayas as well. It is, therefore, requested that arrangements may kindly be made for the practical training in the various industries at all Vidyalayas.

To facilitate practical experience of handling problems of village industries in various blocks, it is considered desirable that the trainees be allowed to have a visit to the blocks in the areas near-about the Khadi and Village Industries Mahavidyalayas. This would necessitate the Mahavidyalayas to make arrangements with the local Block Development Officers for the practical training of the Extension Officers (Industries). It will be appreciated if you will kindly get in touch with the Development Commissioner of the State concerned and request him for necessary facilities. On our side we are addressing a copy of this letter to the Development Commissioners, Madras, Bombay, Punjab, Mysore, Andhra Pradesh and Bihar with the request to give you necessary facilities when you approach them in this connection.

This Ministry may kindly be informed of the action taken at your end.

Yours faithfully,

(Sd.) RAM SAHAY
Under Secy. to the Govt. of India

COPY TO:—

(1) Shri Pran Lal S. Kapadia, Member, Khadi and Village Industries Board, Mistry Bhavan, Dinshaw Wachha Road, Bombay.

(2) Principal, Khadi Gramodyog Mahavidyalaya, Govind Ram Sakseria, College of Commerce, Wardha (Bombay)/P.O. Trimbak Vidyamandir, Nasik/Nilokheri/T. Kallupatti (Madras)/Krishnarajapuram, P.O. Durvani Nagar, Bangalore/ C/o Member-Secretary, Hyderabad Khadi and Village Industries Board, Surbhai Vilas, Troop Bazar, Hyderabad/Bihar Vidyapith, Sadakat Ashram, Patna.

(3) Development Commissioners, Madras, Bombay, Punjab, Mysore, Andhra Pradesh and Bihar, with the request that necessary facilities may kindly be provided to the All India Khadi and Village Industries Board for practical training to the Extension Officers (Industries) in the Blocks.

(Sd.) RAM SAHAY
Under Secy. to the Govt. of India

KHADI AND VILLAGE INDUSTRIES COMMISSION
Mistry Bhavan, Post Box No. 482

Bombay-1, *the* 2*nd August,* 1957

No. Acctts/Genl./10.

To

SUBJECT—*Grants-in-aid by the Khadi and Village Industries Commission to Public Bodies, Institutions, etc.*

SIR,

The Khadi and Village Industries Commission is a statutory body created with effect from 1st April, 1957 under Section 4 of the Khadi and Village Industries Commission Act, 1956 to take over from the erstwhile All India Khadi and Village Industries Board the work of planning and organising the production of Khadi and Village Industries. It has been brought to the notice of the Commission that some of the States Accountants General, who keep in custody and make available to the officers of the Community Project Administration within their jurisdiction, the funds given by the erstwhile All India Khadi and Village Industries Board or by the Government of India in furtherance of the above objects, have frozen the balances in such accounts on the 1st April, 1957 on the ground that under para 207 of the G.F.R. of the Central Government, only so much of the grant should be paid during any financial year as is likely to be expended during that year and that any unspent balance on the last day of the financial year should revert back to the authority, who gave the grant or loans.

In this connection I am to inform you that this question was discussed at a meeting of the representatives of the All India Khadi and Village Industries Board and the Ministry of Production and our Audit Officer, the Deputy Accountant General, New Delhi on 18th March, 1957 and the decision taken by the Government of India was as under:—

> "Sanctions were accorded by the Ministry in several cases rather late in the year and sometimes as late as January and February of the financial year concerned. Payments of grants and subsidies were thereafter made by the All India Khadi and Village Industries Board in the financial year on the basis of the plans and programmes already prepared by the institutions and approved by the Board. To expect the institutions to rush through the expenditure during the remaining few months of the official year and to ask them to refund the unutilised funds remaining with them on the last day of the financial year was not feasible. It was, therefore, agreed that the institutions concerned must be allowed a period of 12 complete months within which to carry out the work and that only that part of the money which was remaining unutilised with them after a period of 12 complete months reckoned from the date of receipt of the funds should be refunded."

This was agreed to by the Audit Officer also.

I am, therefore, to request that in respect of the funds given by the Khadi Commission or Khadi Board or by the Government of India for the development of Khadi or Village Industries the unutilised balances should not be automatically frozen on the 31st March, but that a period of 12 complete months reckoned from the date of receipt of the funds by them should be allowed to the institutions concerned for utilising the money on the object for which it was given.

This arrangement will hold good also in respect of grants, loans etc. given to State Governments, State Boards, Development Commissioner, etc.

Yours faithfully,

(Sd.) P. S. VAIDYANATHAN
Chief Accounts Officer

Copy forwarded to Shri P. M. Mathai, CPO(CI), Ministry of Community Development, New Delhi with the request that he may inform all Development Commissioners and State Governments on the above lines. This reference to the complaints received by Shri R. Srinivasan, Member, Khadi and Village Industries Commission, during his visit to Trivandrum, Mysore, Bangalore etc., from the C.P.A. Officers in those areas that the A.Gs. of the States concerned had frozen the balances as on 31st March, 1957 in the grants and loans given by the Khadi and Village Industries Board or the Government of India for the development of Khadi and

Village Industries in the C.P.A. areas on the ground that under the rule quoted as above the unutilised balances as on 31st March, 1957 should revert back to the authority that granted the same.

(Sd.) P. S. VAIDYANATHAN
Chief Accounts Officer

COPY TO:—

(1) Khadi Section.
(2) V.I. Section.
(3) Audit Cell Section.
(4) D/V.I. & C.
(5) D/K.C.
(6) D/Inspt.
(7) C.P.A. Section.
(8) A.D. (C.P.A.).

(Act. No. LXI of 1956)

KHADI AND VILLAGE INDUSTRIES COMMISSION

Mistry Bhavan, Dinshaw Wachha Road, Post Box No. 482

Established under Khadi and Village Industries Commission Act

No. *Acctts/Genl./*10.

Bombay-1, *the* 12*th August*, 1957

To

SUBJECT—*Grants-in-aid by the Khadi and Village Industries Commission to Public Bodies, Institutions, etc.*

SIR,

In continuation of this office letter of even number dated 2nd August, 1957 on the above subject, I have the honour to forward herewith a copy of the Government of India, Ministry of Commerce and Industry letter No. 33-VI(I)/57, dated the 6th August, 1957 conveying formal sanction to the decision quoted in para 2 of our letter mentioned above.

Yours faithfully,

(Sd.) P. S. VAIDYANATHAN
Chief Accounts Officer

COPY FORWARDED TO:—

Shri P. M. Mathai, Community Project Officer (CI), Ministry of Community Development, New Delhi.

All Sections.

No. 33-V.I(7)/57

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

New Delhi, the 6th August, 1957

FROM

SHRI R. J. BHOJWANI,
Under Secy. to the Govt. of India.

To

The Chief Executive Officer,
All India Khadi and Village Industries
Commission, Post Box No. 482, Bombay.
(With 25 spare copies):

SUBJECT—*Village Industries (other than Khadi)—Amounts disbursed by the All India Khadi and Village Industries Board during* (1956-57)—*Relaxation of Rule* 207(2) *of G.F.R., Vol. I.*

SIR,

I am directed to say that the President is pleased to decide that the institutions, etc. which have received financial assistance from the All India Khadi and Village Industries Board during 1956-57 in connection with the development of Village Industries (other than Khadi) should be allowed a period of one year within which the schemes should be implemented. The institutions concerned should be asked to refund amounts lying unutilised with them at the end of one year from the date of disbursement, and the amounts should be refunded immediately after the expiry of the above period.

Yours faithfully,

(Sd.) R. J. BHOJWANI
Under Secy. to the Govt. of India

Copy (with 6 spare copies) forwarded to the Ministry of Finance (C.I. and F.A. Division) for onward transmission to the Assistant Accounts Officer, (PCI), Bombay. That Ministry agreed *vide* their U.O. No. PDN/1907/57, dated the 29th July, 1957.

(Sd.) R. J. BHOJWANI
Under Secy. to the Govt. of India

No. 10(3)/57-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 30th August, 1957

To

The Development Commissioners,

(All State Governments).

SUBJECT—*Village Industries Programme—Appointment of Village Industries Organizers in Pilot Projects.*

SIR,

Following the recommendation of the Action Committee Meeting held on 15th April, 1957, that Village Industries Organizers should be appointed for each Pilot Project as part of the Industrial Extension Service as envisaged by the Rajgir Seminar, it has been decided that three Village Industries Organizers may be appointed in each block, *i.e.,* 9 for each Project consisting of three blocks. These Village Industries Organizers may be given a scale of Rs. 100—150. In their Office Memorandum No. 52-SSI (66)/55, dated the 4th June, 1955 the Ministry of Commerce and Industry have informed the State Governments of their decision to meet 50% of the expenditure on account of the pay and allowances (excluding T.A.) of all additional staff appointed by them in the State Industries Department for work connected with the development of small-scale industries etc. for a period of three years commencing from 1955-56. The Ministry of Commerce and Industry will be issuing sanction for their share of expenditure incurred in respect of the Village Industries Organizers only for 1957-58. The matter relating to the extension of this assistance beyond 1957-58 is being taken up separately with the Planning Commission and orders will issue shortly. The State Governments are requested kindly to make early arrangements to recruit these Village Industries Organisers. The reimbursement of 50% by the Ministry of Commerce and Industry will only be available provided these Organizers from part of the Industries Department of the State Governments.

The qualifications that may be prescribed for these Organizers are given on reverse in Annexure 'A'.

This circular may kindly be acknowledged.

Yours faithfully,

(Sd.) G. V. S. MANI
Under Secretary to the Govt. of India

COPY FORWARDED FOR INFORMATION TO:—

(1) Ministry of Commerce and Industry, New Delhi (Shri M. S. Sadasivan)—10 copies.
(2) Development Commissioner, Small Scale Industries (Br. Sectt.), 114, Sunder Nagar, New Delhi—50 copies.
(3) Secretary, Industries Deptt., All States—2 copies.

(Sd.) G. V. S. MANI
Under Secretary to the Govt. of India

ANNEXURE 'A'

The following qualifications may be prescribed for the recruitment of Village Industries Organizers:—

(1) Passed Matric.

(2) Should have a thorough knowledge of the following village industries:—

(*a*) Blacksmithy and carpentary.

(*b*) Spinning, weaving and dying.

(*c*) Any three of the 10 village industries taken up by the Khadi Commission.

(*d*) Aptitude for extension work in villages.

No. 19/11(13)/57-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 14*th September*, 1957

To

The Directors of Industries,
(All States except Delhi, Orissa,
Kerala, Bihar and Uttar Pradesh).

SUBJECT—*Handicrafts—Schemes to be expedited to the Handicrafts Board.*

SIR,

I am directed to request you to refer to letter No. HB/CP/171/5553, dated the 10th April, 1957 of the All India Handicrafts Board addressed to all Development Commissioners requesting them to submit schemes to be sanctioned by the Handicrafts Board from each Pilot Project. From the list of sanctions that are made available to this Ministry by the All India Handicrafts Board, it is learnt that no schemes have been sanctioned for the following pilot projects :—

1.	Sohawal (Satna)	Madhya Pradesh
2.	Dabra	Do.
3.	Bhopal	Do
4.	Mulug	Andhra Pradesh
5.	Kakinada	West Bengal
6.	Ramanagram	Mysore
7.	Amravati	Bombay
8.	Baruipur	West Bengal
9.	Nutenhaveli	Tripura
10.	Darrang	Assam
11.	Malerkotla	Punjab
12.	Ajmer	Rajasthan
13.	Sanganer	Do.
14.	Kunihar Bahl	Himachal Pradesh
15.	Badgam Kashmir	Jammu & Kashmir
16.	Thoubel	Manipur

It is not known whether any scheme has been submitted by the above Pilot Projects to the All India Handicrafts Board. If none has been submitted, it is requested that very urgent action may be initiated to submit at least one scheme from each of the above Pilot Projects to the All India Handicrafts Board under intimation to this Ministry, so that the matter may be taken up with the Board and early sanction may be issued. If the schemes have already been submitted, the details of such schemes may be made known to us for taking up the matter with the All India Handicrafts Board.

Yours faithfully,

(Sd.) G. V. S. MANI
Under Secretary to the Govt. of India

Copy to all Development Commissioners except those mentioned above
Copy to Secretary, All India Handicrafts Board, New Delhi.

(Sd.) G. V. S. MANI
Under Secretary to the Govt. of India

No. 29(32)/57-Tg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 23rd September, 1957

FROM

SHRI ABID HUSSAIN, I.A.S.,
Under Secretary to the Government of India.

To

All Development Commissioners/Chief Commissioners,
Directors of Industries,
Registrars of Cooperative Societies.

SUBJECT—*Integrated programme of training of Block Level Extension Officers (Industries) in Small Industries Service Institutes (4 months) and Khadi Gramodyog Mahavidyalayas (8 months).*

SIR,

In continuation of this Ministry's letter No. 29(19)/57-Tg dated the 10th June, 1957 on the above subject, I am directed to say that the next course for the training of Block Level Extension Officers (Industries) in the Regional S.I.S.I. is scheduled to commence sometime in the 1st week of January, 1958. The exact date of the course will be intimated to you when finalised.

2. A statement indicating the position of persons trained and under-training together with another statement showing the allotment of seats to each State for the forthcoming session at Small Industries Service Institutes are enclosed. It is requested that necessary steps may kindly be taken to

ensure selection/recruitment of the Block Level Extension Officers (Industries) in time so that they can report to the Regional Institutes as per tentative distribution list attached, well in time.

3. I am also to request that figures in the columns No. 3 and 4 of the statement I attached indicating the persons trained and under-training may kindly be checked up and corrections, if any, **be intimated to us for necessary** action at this end.

Please acknowledge the receipt of this letter.

Yours faithfully,

(Sd.) ABID HUSSAIN
Under Secretary to the Govt. of India

Encl: 2

Copy forwarded for information to Shri K. L. Nanjappa, Development Officer (Training), Small Scale Industries, 114, Sunder Nagar, New Delhi.

(Sd.) ABID HUSSAIN
Under Secretary to the Govt. of India

STATEMENT I

Statement showing the persons trained and to be trained at the Small Industries Service Institutes and the Khadi Gramodyog Mahavidyalayas as on 10-9-57.

Sl. No.	State	Requirement by the end of 2nd Five Year Plan (Approx. Estimate) (For CD and NES)	No. req. for blocks allotted upto date appprox.	Persons trained	Persons under-trg. in K.G.M. and S.I.S.I.	Total of columns 5 and 6	Balance No. to be trained by 1961.	Allotment of seats for sixth course
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	West Bengal ..	320	103	10	3	13	307	22
2.	Orissa ..	220	105	28	—	28	192	20
3.	Bihar ..	580	213	28	15+20	63	517	30
4.	Assam ..	135	54	10	4+ 8	22	113	15
5.	Manipur ..	16	5	3	1+ 1	5	11	1
6.	Tripura ..	15	11	2	5+ 3	10	5	3
7.	Punjab	230	100	8	24+15	47	183	16
8.	Uttar Pradesh ..	895	269	40	29+40	109	786	60
9.	Rajasthan ..	230	89	15	24+not yet	39	191	30
10.	Jammu & Kashmir	52	33	3	—joined	3	49	3
11.	Himachal Pradesh	37	22	4	8 +9	21	16	4
12.	Delhi ..	8	4	1	—	1	7	1
13.	Madras ..	490	110	28	33+38	99	396	40
14.	Andhra Pradesh	400	148	50	45+42	137	263	40
15.	Kerala ..	142	54	10	10+13	33	109	15
16.	Mysore ..	190	83	16	27+10	53	137	15
17.	Bombay ..	665	212	55	12+17	84	581	45
18.	Madhya Pradesh	422	211	37	40+30	107	315	40
	TOTAL ..	5,047	1,826	348	277+249	874	4,178	400

STATEMENT II

Tentative list of distribution of Block Level Extension Officers (Industries) for training in the Regional Institutes in the Sixth Session scheduled to commence sometime in the first week of January, 1958.

1. Calcutta Small Industries Service Institute—	
1. West Bengal	22
2. Orissa	20
3. Bihar	30
4. Assam	15
5. Manipur	1
6. Tripura	3
7. Uttar Pradesh	9
TOTAL	100
2. Delhi Small Industries Service Institute—	
1. Uttar Pradesh	51
2. Punjab	16
3. Rajasthan	25
4. Jammu & Kashmir	3
5. Himachal Pradesh	4
6. Delhi	1
TOTAL	100
3. Madras Small Industries Service Institute—	
1. Madras	40
2. Andhra Pradesh	40
3. Kerala	15
4. Mysore	5
TOTAL	100
4. Bombay Small Industries Service Institute—	
1. Bombay	45
2. Madhya Pradesh	40
3. Rajasthan	5
4. Mysore	10
TOTAL	100

No. 9(8)/57-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 28th September, 1957

FROM

SHRI G. V. S. MANI, I.A.S.,
Under Secretary to the Govt. of India.

To

The Development Commissioners,
All State Governments.

SUBJECT—*Handicrafts—Allocation of funds by Handicrafts Boards—Schemes for development of Handicrafts.*

SIR,

I am directed to say that the All India Handicrafts Board, Janpath (A) Barracks, New Delhi is considering ear-marking of some percentage of their funds for the year 1958-59 for the development of handicrafts in Community Development Blocks. In this connection an extract of the notes circulated by the All India Handicrafts Board to the members of the Board in a meeting held in this connection is enclosed.

It is felt that in view of the limited allocation preparation of schemes block-wise may not be found possible. It is, therefore, suggested that schemes may be got prepared for handicrafts in all such blocks where the Extension Officers are in position. These schemes may be sent to the Board before December at the latest under intimation to this Ministry so that the matter may be taken up with the Board from this end.

Yours faithfully,

(Sd.) G. V. S. MANI,
Under Secy. to the Govt. of India.

COPY TO :

1. Director of Industries, All State Governments.
2. The Director, All India Handicrafts Board,
   Janpath 'A' Barracks, New Delhi.

Extracts of notes circulated by the All India Handicraft Board—"General consideration for drawing up the programme for 1958-59 and some suggestions to the State Governments."

I. GENERAL

State Governments might take up those crafts, where there is reasonable production and which can be offered in the foreign market. These may be items already introduced in the export market or those which might

have the potential. Schemes in this connection should be drawn up in consultation with representatives of industries, manufacturers, craftsmen and dealers, as the Government is contemplating to set up a corporation for Handicrafts, which will undertake or assist schemes and measures directed towards export promotion.

II. TRAINING

The main task before the Board being to bring the existing industries to life and to provide it with stability, efforts should be concentrated on the existing industries. Accordingly, emphasis on training or training-*cum*-production schemes undertaken by most of the State Governments in the past years will have to change. The training schemes should be introduced in situation where the number of skilled workers is very small or where advance training is required in new and improved methods or for revising or for setting up quality standards where these might be falling.

With regard to the training schemes, we may keep one general consideration in view and that is to ensure that the quality of training should not be inferior to the quality of training which the craftsmen are receiving either through the apprenticeship system or through any other training.

With regard to the designs, generally, care must be taken that while new articles to be introduced specially of utility value, the traditional designs are not destroyed.

Specially in the case of schemes for production centres, special care might be given to examining whether raw materials are readily or easily available and that the producer will be able to hold in the competitive market.

III. CO-OPERATIVES

It is recognised that introduction of co-operatives in the handicrafts industries is best with many difficulties.

Each State Government may, however, consider taking up about 30 co-operatives for intensive development during the year 1958-59. Measures for development should be prepared with the approval of workers and they should be guided to come to a decision before the plans are prepared. It is suggested that a plan of Development may be prepared for each co-operative by stating its target of production, quality of service, objectives in terms of wages, working conditions, etc. At the same time, financial estimates for each co-operative for the implementation of its plan may be prepared indicating the investment or assistance in the first year, second year and third year. The resources which are likely to be available from the members of the co-operatives or from any other local source might be shown separately and deducted out of the total requirements. If the Board be not in a position to provide total requirements either because of the pattern of financial assistance or from shortage of funds, then they might like to know to what extent the plans would have to be scaled down and members of the co-operatives also informed accordingly so that they do not have any expectations which the Board might not be able to satisfy.

IV. INTERNAL MARKETING

The importance marketing of handicrafts cannot be under-estimated and it is only desirable that the State Government should expand the

market for the products of handicrafts and introduce qualitative improvement in the marketing system. It is, however, proposed to open 75 Handicrafts Emporia and sales-*cum*-procurement depots within the next twelve months, of which 3 will be major Emporia, 22 Class I sales-*cum*-procurement depots and 50 Class II sales-*cum*-procurement depots. Whereas the function of Emporia in principal cities and towns is to display the handicrafts products of the area and also products of other parts of the country with a view to popularize them and to push their sales, the depots in smaller towns are expected mostly to perform the functions of procurement of goods partly for sale through them and mainly to supply to the Emporia in the bigger towns and cities. These depots will serve both as procurement and sales depots. But prior to the establishment of the new depots however, the State Governments are requested to formulate proposals for expansion and improvement of the existing depots in their respective States.

These improvements may be planned in the quality of service rendered by the depots in procurement, salesmanship, display, reasonable pricing, attractive and well-lighted premises and efficient management, etc.

As per present pattern of financial assistance, the Government gives 50% of the recurring expenditure and 50% of the non-recurring expenditure as grant, and 100% of the working capital as loan. However, as the Community Development areas are likely to be interested in Class II procurement-*cum*-sales depots mainly, a tentative estimate of recurring expenditure for a depot is enclosed herewith as guideline together with a chart showing the Statewise allocation of these 75 depots (*vide* Annexure A and B). These need be modified according to local conditions.

The general pattern of financial assistance is also indicated as per Annexure 'C'.

ANNEXURE 'A'

Expenditure on Establishment of Class II Procurement-cum-Sales depots.

				Rs.
1.	Manager	1	100—10—200+allowance	1,800
2.	Accountant	1	75—5—100+allowance	1,440
3.	Typist-*cum*-clerk	1	55—3—85+allowance	1,200
4.	Salesman	2	60—4—100+Allowance	2,520
5.	Peons and chowkidars	2	30—1/2—35+allowance	1,680
6.	Godown clerk	1	60—4—100+allowance	1,260
7.	Packer	50		600
8.	Rent	150 p.m.		1,800
9.	Contingencies and Insurance ..			960
10.	Int.			625
11.	Miscellaneous			200
12.	Publicity			2,500
			TOTAL ..	16,585

ANNEXURE 'B'

ALL INDIA HANDICRAFTS BOARD

Statewise list of Emporia, Class I and Class II Sales-cum-Procurement Depots to be opened in the next 12 months.

Sl. No.	Name of State	Proposal for establishment of Emporia and Sales Depots				
		Major Emporia	Class I Sales-*cum*-procurement Depots.	Class II Sales-*cum*-procruement Depots.		
1.	Andhra	—	2	3	=	5
2.	Assam	—	1	2	=	3
3.	Bihar	—	1	3	=	4
4.	Bombay	—	2	5	=	7
5.	J & K	—	—	3	=	3
6.	Kerala	—	2	2	=	4
7.	M. P.	—	2	4	=	6
8.	Madras	1	2	4	=	6
9.	Mysore	—	2	3	=	6
10.	Orissa	—	1	3	=	4
11.	Punjab	—	1	3	=	4
12.	Rajasthan	—	2	4	=	6
13.	U. P.	1	2	3	=	6
14.	West Bengal	—	2	4	=	6
15.	Delhi	1	—	1	=	2
16.	H. Pradesh	—	—	1	=	1
17.	Manipur	—	—	1	=	1
18.	Tripura	—	—	1	=	1
19.	Andaman & Nicobar ..	—	—	—		—
	TOTAL ..	3	22	50	=	75

No. 9(1)/57-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi. October 8, 1957.

To

The Development Commissioners,
(All State Governments)

SUBJECT—*Pilot Projects (Cottage and Small-Scale Industries)—problems to be studied*

SIR,

Please refer to our letter No. 9(1)/57-Prg., dated the 11th May, 1957 wherein a list of problems to be studied in the pilot projects was circulated. The first set of reports regarding these are expected from you early in October, 1957.

2. We have since analysed the problems further with a view to broadly indicating a suggestive approach to each of them. A copy of this analysis is attached for use by the project personnel.

3. It may be useful to reiterate that most of these problems would need a continuous study over a period of time. One and a half years of the

working of pilot projects may not provide sufficient experience to enable formulation of specific policies. As such the report to be sent early in October is to be treated only as the first one to be followed by subsequent periodical reports. The first set of these reports will be considered at the next seminar on Village Industries Rural Housing and Industrial Co-operatives proposed to be held at Coimbatore from the 9th to the 11th of February, 1958.

Yours faithfully,

(Sd.) A. S. NAIK
Joint Secy. to the Government of India

SUGGESTIONS TO HELP STUDY OF THE PROBLEMS IN THE PILOT PROJECTS

Industrial Co-operatives

Problem No. 1(a)

Is there any resistance to joining such organisations (i) on the part of newly trained artisans, and (ii) on the part of old artisans? If so, what is this due to and how can it be overcome?

In order to study this problem, the following questions may be posed in respect of each individual industry :

(1) What was the motivation behind the organisation of industrial co-operatives ?

(*i*) *Economic* :

(*a*) Profit motive ?

(*b*) Facilities of raw materials at cheap rates ?

(*c*) Common Service facilities ?

(*d*) Common marketing arrangement ?

(*e*) Technical assistance.

(*ii*) Social

(*iii*) Socio-economic.

(2) *Enlistment of Members* :

(*a*) What extension or educational methods were adopted to enlist members?

(*b*) How many persons were approached for membership during the period of the existence of the project ?

(*i*) Newly trained artisans.

(*ii*) Traditional artisans.

(*iii*) Non-artisans.

(*c*) How many from each group joined the industrial co-operative?

(*i*) Newly trained artisans.

(*ii*) Traditional artisans.

(*iii*) Non-artisans.

(*d*) Has the membership progressively increased ?

(*i*) Newly trained artisans.

(*ii*) Traditional artisans.

(*iii*) Non-artisans.

Give reason for this increase.

(e) Has the membership progressively decreased? If so, in which group and in what proportion?

(*i*) Newly trained artisans.

(*ii*) Traditional artisans.

(*iii*) Non-artisans.

(3) What could be the possible reasons for resistance to joining industrial co-operatives?

(Mark items in decreasing order of importance)

(*a*) Lack of understanding of the principles of co-operation.

(*b*) Mutual distrust and suspicion.

(*c*) Lack of organisational ability and genuine leadership.

(*d*) Lack of trained supervisory staff.

(*e*) Lack of technical know-how.

(*f*) Unprofitable working of the existing co-operatives.

(*g*) Any other reasons (specify).

Problem No. 1(b)

What are the difficulties which Industrial Co-operatives in the Pilot Project have run into? What are the lessons to be learnt from this state of things? Can new Societies avoid getting into such difficulties and if so how? How can the existing difficulties be overcome and these Societies made to run efficiently?

---

(1) In order to study this problem, it will have to be found out as to how many industrial co-operatives are running—

(*a*) At a profit.

(*b*) At a loss.

(*c*) At no-profit no-loss basis.

(2) The following may be some of the difficulties which may be examined :

(*a*) Lack of facilities for education.

(*b*) Dearth of finance.

(*c*) Shortage of technical personnel.

(*d*) Inadequate supply of tools and equipment.

(*e*) Lack of proper facilities for maintenance of tools and equipment.

(*f*) Inadequate arrangements for disposal of finished goods.

(*g*) Improper accounting system—

(*i*) Due to inadequacy of staff.

(*ii*) Due to lack of proper supervision and guidance.

(*h*) Poor management.

(*i*) Inadequate credit and banking facilities.

(*j*) Transport difficulties.

(*k*) Location of workshop at wrong site.

(*l*) Any other difficulties.

(3) How can these difficulties be remedied in the existing co-operatives and avoid so far as new societies are concerned ? What major inferences can be drawn from the above difficulties?

Problem No. 1(c)

What are the limits of co-operation in the field of industrial co-operation?

Under this head, taking a few important industries, it may be specified whether co-operation could be extended to any or all of the following aspects of production programme :

(*a*) Procurement of raw materials.

(*b*) Actual production work, all or any of the operations.

(*c*) Marketing.

(*d*) Common facilities services.

Taking each article of production in the project, has industrial co-operation led to more efficiency in production, more assured income for the artisans, than individual production? Is co-operation a means or an end? If it is a means only, what is the optimum quantity of co-operation for each Industry in the Project?

The following may be studied in respect of one or two articles of production :

Individual Production.	*Industrial Co-operatives.*
(*a*) Capital to investment ratio.	
(*b*) Capital to output ratio.	
(*c*) Cost to output ratio.	
(*d*) Average income of an artisan.	

Problem No. 1(d)

(*i*) What is the composition of membership of industrial co-operatives?

(*ii*) What is the percentage of actual workers who are members?

(*iii*) Who are the office bearers?

(*iv*) How many non-workers held office in the co-operatives?

Problem No. 1(e)

Have the capitalists and entrepreneurs been admitted as shareholders? What is their number, share contribution and percentage to the total share capital?

The following points need to be studied:

(1) Taking total figures (or in the alternative a few samples)—

(a) What is the composition of the membership?

(*i*) Total number of members

(*ii*) Workers

(*iii*) Non-workers

(1) Financiers

(2) Entrepreneurs

(3) Any other

(*b*) Number of office bearers

(*i*) Workers

(*ii*) Non-workers.

(*a*) Financiers.

(*b*) Entrepreneurs

(*c*) Any other

(*c*) Share capital held by

(*i*) Workers

(*ii*) Non-workers

(*a*) Financiers

(*b*) Entrepreneurs

(*c*) Any other.

(2) What are the main functions which are being performed by non-members?

(*a*) Organisational

(*b*) Financial transactions

(*c*) Technical supervision

(*d*) Management

(*e*) Salesmanship

(3) What are the potentialities of the members taking up the work which is at present being held by non-members? If the potentialities are there, what kind of a training programme may be instituted to enable the members to undertake this?

Production-cum-*Training Centres*

Problem No. 2 (a)

Is it better to run the production and training units separately or together?

In the past emphasis had been laid on the starting of production-*cum*-Training Centres for introduction of new skills in the rural areas. It has been felt in some quarters that the combining of the production work with training has greatly affected the efficacy of the training programme. It is, therefore, necessary to have a critical study to either substantiate this point or to contradict it. In pilot projects where both types of institutions exist, namely, purely training centres and Training-*cum*-Production Centres, it would be somewhat easy to compare their achievements. But in such of the projects where there are Training-*cum*-Production Centres only, it will have to be studied as to what extent they have been successful. While considering their efficacy, the following points may possibly be kept in view :—

(*i*) To what extent has the training imparted given confidence to the artisans for self-employment ?

(*ii*) To what extent can the equipment be utilised to its full capacity in either case ?

(*iii*) The availability of trained personnel for supervisory or teaching jobs is limited and as such, to what extent they would be fully utilised in either case ?

(*iv*) The extent to which the production programme in these centres has actually improved the training and made it practical and realistic.

(*v*) Financial aspect of the proposition.

A short not may be prepared bringing out specific preference of one or the other.

Problem No. 2 (b)

What is the scope for the working of such Centre as a means of (i) enabling the spread of industrial and mechanical talent, and (ii) increasing production in particular industries ?

The intention imposing this problem is to find the impact of the Training-*cum*-Production Centres in two directions, namely, the extension of technical knowledge, and the increase in employment and production. For this purpose the following will need to be studied :—

(*i*) How many artisans have been trained by the Production-*cum*-Training Centres ?

(*ii*) How many of them have started work on their own ?

(iii) How many of them have otherwise been engaged as wage-earners in the particular industry for which Training-*cum*-Production Centres have been opened ? To what extent can this increase be attributed to these centres ?

Problem No. 2 (c)

Do any of the Production Centres run at a loss and if so what are the seasons ? What can be done to remove such factors and to enable the Centre to run at a profit ?

In most of these Training-*cum*-Production Centres separate accounts are not being maintained for production work from which actual costs could be worked out. Costing of the items of production is mostly based on estimated figures. It would be worthwhile finding out actual costs

in one or two cases which should take into account the actual raw materials consumed, direct labour engaged in the manufacture (even if trainees work on this, the labour should be calculated at an estimated rate for each trainee) and actual overhead which should include the rent of buildings, supervisory charges, electricity, water and miscellaneous contingent expenditure, etc. These actual costs should then be compared with the cost at which the goods are being supplied, and then reasons for difference, if any, found out. The production work in the training centre should act as demonstrations, of an efficient production unit for the trainees. It is to be established whether it is actually serving that purpose or whether it is giving a demonstration of how a production centre ought not to be run.

Problem No. 3 (a)

It is essential to encourage increased consumption of village industries products in the neighbourhood of production. Marketing is the biggest stumbling block in the spread of village industries and increase in local consumption will help greatly in this respect. The main difficulties that will be encountered in increasing local consumption are (a) quality, (b) price, when a comparison is made of the products of village industries and products of factories brought into the local area for consumption. Can such consumer preferences be overcome (i) by appealing to local sentiment, (ii) by bartar arrangements, and (iii) in any other way ?

To find out an answer to this problem, it will be necessary to first compare for some of the important items of local consumption, the quality and price of the village industries products and the factory production. Instances where in spite of the difference, the demand for village industries in the villages has increased may be quoted along with possible reasons for such an increase. Cases of any village exchange system introduced in the project bartar system may also be indicated. Attempts, if any made at influencing the people to consume local products in spite of difference in quality and price would also be useful along with results thereon.

Problem No. 3 (b)

How far people's participation could be mobilised in promoting markets locally for cottage and small-scale industries' products ? What are the ways and means to make the people feel it obligatory to buy things produced locally in order to assist cottage industries and to provide additional opportunities of employment to the under-employed and unemployed of the area ?

Under this heading may be indicated incentives if any, that have been created or could be created to induce people to buy local products. Would it be possible to run emporia by the Local Co-operative Society or Village Panchayat where the products of local village industries can be sold ?

Problem No. 4 (i)

Government aid being given to Village Industries and Small-Scale Industries in a number of ways, and to a varying extent for the different industries. Could it be possible to test the combined effect of all possible

government aid, to say a few selected industries in the Projects ? The kind of government assistance provided at present includes :—

(*a*) Training of artisans;

(*b*) Financing an artisan to set himself up in business;

(*c*) Laying out Industrial Estates for occupation by Artisans. Small Entrepreneurs;

(*d*) Supply of equipment needed for setting up the industry through Government Agencies;

(*e*) Subsidy on the use of electric power;

(*f*) Supply of designs and patterns;

(*g*) Quality control of products;

(*h*) Government purchase of all quantities of the products offered (i) for Government consumption, and (ii) for sale in Government Emporium;

(*i*) Provision of repair and service facilities;

(*j*) Provision of Common facility centres.

As enumerated in the problem there are a number of directions in which Government aid could be made available to a particular class of artisan or an industry but usually in any individual case assistance is provided only in one or two forms. The idea is now to find out as to the combined effect of all possible aid to a given industry. For this purpose a few industries in a pilot project, say two, one in the field of village industries and the other in the field of small scale industries, may be specifically selected and efforts made to get the artisans engaged in it. The combined effect of all possible Government aid over a period of time, say one year, should be observed in terms of :

(*a*) net increase in industrial production ;

(*b*) increase in employment ;

(*c*) increase in capital investment;

(*d*) increase in the average income of the artisan.

Problem No. 4 (ii)

The quantum of subsidies being given for various cottage and small industries should be studied with a view to find out whether they are adequate or not.

Here again two or three industries may be selected out of the village industries sector, *e.g.*, tanning, bonemeal, village oil, hand-pounding of rice, soap-making etc. and any *ad hoc* study made of the effect produced by the subsidies being granted by the Government with a view to ascertain whether these subsidies are adequate in respect of

(*a*) inducement provided by them for increased production,

(*b*) bringing the cost of production at *par* with factory production,

(*c*) increase in the earnings of the artisans.

If subsidies are found to be ineffective an attempt may be made to find out the possible reasons as also suggested remedies.

Utilisation of Increased Income

Problem No. 5

It will be useful if experiments can be made on the optimum utilisation of earnings made in new industries in the project (or by improved existing

industries). Artisans in many industries must be earning good incomes as a result of the pilot project. How are they spending the additional income? How far will we succeed if we make a deliberate effort to get the additional income spent on items like (*a*) building one's own house, or if the artisan owns a house already, making additions to it, (*b*) introducing labour saving devices in the home, (*c*) introducing art and beauty in the home, (*d*) persuading the artisans to acquire for himself and his family more education, (*e*) persuading the artisan to join local institutions, (*f*) persuading the artisans to spend more money on recreation such as excursions, picnics, musical concerts etc.?

An enquiry might be conducted in respect of say, half a dozen selected families in different trades by a personal interview to ascertain

(*a*) the increase in their earnings during the last one year,

(*b*) major items on which expenditure has been incurred as a result of increased earnings.

Any attempt that might have been made to channelise the additional purchasing power may also be indicated.

Training and Employment

Problem No. 6

What has been the experience with training programmes for craftsmen and industrial workmen generally? Have trainees in the pilot projects found work on conclusion of their training, or have they gone into production, of their own or have they remained unemployed? What circumstances seem to determine the success or failure in this respect? What conditions are necessary for obtaining best results for such programmes?

A tabular statement indicating the position in respect of a number of artisans trained in the various training centres in the pilot projects may be given. In certain cases it has been found that a large number of trainees have not taken up to the trade after the completion of the training. An attempt may be made to find out the reasons for this. The possible reasons may be:—

(*a*) lack of technical competence on the part of the trained artisan to take up the work on his own;

(*b*) the scope of the industry in which he was trained may be limited in the area or, in other words, more persons have been trained than could actually be absorbed;

(*c*) lack of financial assistance to the artisan to settle down in the trade;

(*d*) lack of other facilities, *e.g.*, equipment, for starting work;

(*e*) uncongenial atmosphere due to certain social customs;

(*f*) lack of organisational support for getting supplies, technical assistance etc.;

(*g*) lack of arrangements to market finished products;

(*h*) Any other reason.

Problem No. 7(i)

It will be useful if a study could be made to find out how quickly an artisan working according to the traditional methods can be induced to

accept all the improvements advocated by the Government for his craft. Such experiments may be laid out for (*a*) weaver, (*b*) cobbler, (*c*) carpenter, (*d*) Blacksmith, (*e*) Potter, etc.

Probably the project staff would not be in full possession of information about all the improvements that could be effected in any particular trade. For the purpose of this study they may, therefore, take up only a few major improvements which are being extended in the pilot projects and then find out in respect of few artisans as to the time it might have taken to induce them to accept those improvements. This, however, will have to be related to the facilities offered by the project staff to enable the artisans to adopt the improved methods by way of supply of improved equipment, raw materials, etc.

Problem No. 7(ii)

Does experience show that a traditional blacksmith could readily and successfully be trained to make repairs to Diesel pumps and improved agricultural implements and other types of modern equipments. When they acquire these new skills, do they find enough work in the project areas to make it worth their while ?

This problem is to be answered in such cases only where an attempt has been made to train local blacksmiths in the repairs of pumps, etc. Where it has not been done it may be ascertained whether there is a possibility of providing enough work for traditional blacksmith in the repairs of implements, pumps, etc.

Problem No. 8(a)

Do common facility centres designed to do service for small industries work successfully to the service of artisans ?

A small note indicating the trade and the nature of common facility centre along with the service that it has rendered so far may be given.

Problem No. 8(b)

What has been the experience with mobile demonstration vans as means of stimulating development of small industry in the pilot areas and what techniques for the use of such vans are to be recommended ?

A general feeling in respect of these mobile vans has been that their period of stay at a place is very short and the period after which the van comes again to the same place is very long. Any experience in regard to this may be indicated in addition to any other observations that may be made regarding the better use of these mobile vans. Should the mobile vans take up service activities such as sharpening of tools, welding, electroplating, etc.

Problem No. 9

What kinds of people have proved to be promising sources of successful entrepreneurs and what techniques have helped to stimulate these people to undertake entrepreneurial activity in the field of small industries ?

The persons who have been successful entrepreneurs may be classified under the following heads :—

(*a*) Professional background—agriculturists, businessmen, artisans etc.

(*b*) Educational background.

(*c*) Financial status.

House Building as an Impetus to Cottage Industries

Problem No. 10

Where a programme of rehousing and rebuilding of villages has been put into effect, has this in practice resulted in expansion of small industries in supplying building equipment and materials, builders hardware, etc. ? What lessons can be drawn from any experience had thus far, about the ways in which such rehousing and rebuilding programme might be linked with efforts at village industrial development ?

In two or three sample villages where there has been a sizeable programme of construction activities, the following might be ascertained:—

(*a*) The total cost of the construction activities.

(*b*) Total value of important materials of construction:

  (a) Joinery;

  (b) Iron-mongry;

  (c) Bricks;

  (d) Tiles;

  (e) Furniture;

  (f) Other articles.

(*c*) In respect of each of these articles the purchases made

  (a) Out of the products of the village;

  (b) Products of the block area;

  (c) Products from outside;

  (d) Whether additional requirements of the building materials have not been met by the products from the large industries;

  (e) Number of man days engaged in the construction activities.

Economics of Village Industries

Problem No. 11

Type schemes introduced in pilot project areas should be tested from the point of view of their economics and workability.

Two or three type schemes introduced in the pilot project areas as per pattern recommended either by the Boards or the Ministry of Commerce and Industry may be studied for this purpose.

Problem No. 12

Employment investment ratio in the main cottage and small industries should be studied and especially the earning levels in each indusrty.

For this purpose the following industries may be selected:—

(*a*) Blacksmithy;
(*b*) Carpentry;
(*c*) Tannery;
(*d*) Brick making and tile making;
(*e*) Leather including shoe making;
(*f*) Spinning;
(*g*) Traditional and Ambar Charkha;
(*h*) Weaving;
(*i*) Bee-keeping;
(*j*) Soap making;
(*h*) Handicraft;
(*k*) Village Oil;
(*l*) Hand pounding of rice.

For this purpose the investment should include not only the Government assistance but also the investment made by the individual or any other source.

Problem No. 13

Demand analysis should be made for as many major products as possible.

The demand analysis, if possible, may be made for, say, two products of daily consumption.

Problem No. 14

A survey of persons from castes other than the traditional caste who have taken training and started production in a particular industry should be conducted.

For this purpose any or all of the industries—like tanning, leather work, bee-keeping, pottery and Ambar Charkha may be selected.

No. 2(2)/57-Prg.-II

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 19th October, 1957

To

The Development Commissioners,
(All State Governments except
N.E.F.A. and Andaman Islands).

SUBJECT—*Small Scale Industries—Coordination Committee of Small Industries—State Coordination Committee.*

SIR,

As you are already aware the Government of India have recently set up a Coordination Committee of Small Industries for securing greater co-ordination between different organisations concerned with the development of Small-Scale and Cottage Industries, with the Minister, Commerce and Industry as Chairman of this Committee. It has been decided that the Co-ordination Committee of Small Industries would also discharge the functions of the Action Committee at the Centre for pilot projects, Cottage and Small Scale Industries. The members of the Coordination Committee are shown in the list enclosed. In this connection a copy of the letter No. Khadi-11(1)/57-Coord.-Vol. II, dated the 29th June, 1957 issued by the Ministry of Commerce and Industry to the State Governments is enclosed. It is requested that necessary action to constitute the State Coordination Committee may kindly be taken by the State Governments at a very early date, if not already done, in accordance with the instructions contained in the Ministry of Commerce and Industry's letter dated the 29th June, 1957. The copies of the proceedings of the Coordination Committee meetings, when held, may kindly be forwarded to this Ministry as was heretofore done in the case of State Action Committee.

The receipt of this letter may kindly be acknowledged.

Yours faithfully,

R. N. MOHANTY
Under Secy. to the Govt. of India

Copy to the Ministry of Commerce and Industry (Shri A. Zaman, I.C.S., Joint Secretary), New Delhi.

R. N. MOHANTY
Under Secy. to the Govt. of India

No. Khadi-11(1)/57-Coord-Vol. II

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND INDUSTRY

New Delhi, the 29th June, 1957

To

The Chief Secretary to the Govt. of India.

SUBJECT—*Small Scale Industries—Coordination Committee of Small Industries—State Coordination Committee.*

SIR,

I am directed to say that the Government of India in this Ministry have recently set up a Coordination Committee of Small Industries for securing greater coordination between different organisations concerned with the development of small and cottage industries. A copy of the office memorandum constituting the Committee is enclosed herewith for the information of the State Government.

2. The first meeting of the Committee was held on the 8th June, 1957. A copy of the minutes of the meeting is enclosed for the information of the State Government. I am directed to invite a reference to para 2 of the minutes. It has been decided that the State Action Committees for Pilot Projects (Cottage and Small Scale Industries) should be replaced by the State Coordination Committees on Small Industries. It was suggested at the meeting that the Chief Minister of the State, or failing him, the Minister of Industries, should be the Chairman of this Committee. The Development Commissioner will be one of the members. I am to add that the intention is that in the absence of the Chairman, the Development Commissioner as the senior-most officer of the State should preside at the meetings of the State Coordination Committee.

3. It is suggested that the quarterly reports on the progress of cottage and small-scale industries in the Pilot Projects of the Community Development Blocks should continue to be compiled by the State Development Commissioner for the consideration of the State Action Committee. Copies should also be forwarded to the Ministries of Commerce and Industry and Community Development.

4. I am to request that early steps may please be taken to constitute a State Coordination Committee for Small Industries and the Government of India informed of the progress in this matter.

5. This letter issues with the concurrence of the Ministry of Community Development.

Yours faithfully,

(Sd.) A. ZAMAN
Joint Secy. to the Govt. of India

Copy to the Ministry of Community Development (Shri B. Mookerjee, I.C.S.) for information with reference to their letter No. 2(2)/57-Prg., dated the 27th June, 1957.

(Sd.) A. ZAMAN
Joint Secy. to the Govt. of India

Composition of the Coordination Committee for Small Industries

1. Minister of Commerce and Industry—*Chairman.*

Members

2. Minister of Commerce.
3. Minister of Industry.
4. Minister of Community Development.
5. Chairman, Khadi and Village Industries Commission, Bombay.
6. Chairman, Small Scale Industries Board, New Delhi.
7. Chairman, Central Silk Board, Bombay.
8. Chairman, All India Handloom Board, Bombay.
9. Chairman, All India Handicrafts Board, New Delhi.
10. Secretary, Ministry of Commerce and Industry, New Delhi.
11. Secretary, Ministry of Community Development, New Delhi.
12. Member-Secretary, Khadi and Village Industries Commission, Bombay.
13. Member-Secretary, All India Handicrafts Board, New Delhi.
14. Joint Secretary, Ministry of Commerce and Industry (incharge of these Board), New Delhi.
15. Joint Secretary, Ministry of Community Development, (incharge of small industries), New Delhi.
16. Development Commissioner for Small Scale Industries, Ministry of Commerce and Industry, New Delhi.
17. Secretary, Small Scale Industries Board, New Delhi.
18. Secretary, Central Silk Board, Bombay.
19. Secretary, All India Handloom Board, Bombay.
20. Joint Secretary, Ministry of Finance, (Shri K. L. Ghei).
21. Shri B. Venkatappiah, Reserve Bank of India.
22. The Chairman, All India Coir Board, Ernakulam.
23. Dr. D. K. Malhotra, Deputy Secretary, Planning Commission, New Delhi.

No. MCD/19/XII(26)/56-Prg.

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

(Community Projects Administration)

New Delhi, the 27th October, 1956

To

The Development Commissioners/
Directors of Community Projects.
(All State Governments except Coorg and NEFA.).

SUBJECT—*Extension Officer for Industries in CD/NES areas.*

SIR,

As you are already aware the 5th Development Commissioners' Conference held at Nainital from the 5th to 7th May, 1956 recommended that :—

"There should be an Extension Officer for Industries made available to each CD Block and NES area. This Officer should be part

of the industries organisation of the State but should be attached to the Block Development Officer just as in the case of other block level extension officers. These posts will be filled as an when suitable trained persons are available, priority of posting them being given to Community Development Blocks. The cost of this officer will come within the terms of the pattern of assistance of the Ministry of Commerce and Industry (*i.e.* sharing expenditure on a 50:50 basis with the State Governments)."

The Ministry of Commerce and Consumer Industries have since addressed the State Governments in this regard *vide* their circular letter No. 38-L.I (B)(49)/56, dated 19th October, 1956, copy enclosed for ready reference. As stated in para 3 of the Ministry's letter it would be appreciated if immediate steps are taken by the State Governments for the recruitment of the additional staff so that they may start their traini g from 15th November, 1956.

Action taken in the matter may kindly be intimated to this Ministry in due course.

Yours faithfully,

(Sd.) I. R. KAKAR
Under Secy. to the Govt. of India

Copy to the Ministry of Commerce and Consumer Industries (Shri P. K. Chakravarti, I.A.S.), New Delhi.

(Sd.) I. R. KAKAR
Under Secy. to the Govt. of India

IMMEDIATE

No. 38-L.I.(B)(49)/56

GOVERNMENT OF INDIA

MINISTRY OF COMMERCE AND CONSUMER INDUSTRIES

New Delhi, the 19th October, 1956

FROM

SHRI P. K. CHAKRAVARATI, I.A.S.,
Deputy Secretary to the Govt. of India.

TO

All State Governments.
(Except Coorg and N.E.F.A.).

SIR,

I am directed to refer to Section 3 of Office Memorandum No. 52-S.S.I. (66)/55, dated the 4th June, 1955 of the late Ministry of Commerce and Industry, wherein the Central Government undertook to bear 50 per cent

of the expenditure on the salaries and allowances (excluding T.A.) of all *additional* staff (excepting those employed for handloom industry) employed by the State Government on Small Scale Industries.

2. It has been represented by Ministry of Community Development (CPA) that the State Governments are experiencing difficulties in providing Extension Officers (Industries) for village and small scale industries in the N.E.S. and C.D. Blocks situated in their States. It is, however, imperative that each N.E.S. and C.D. Block should be provided with one Extension Officer (Industries). It is, therefore, requested that immediate steps may please be taken by all State Governments to strengthen their staff in the Industries Department with a view to providing these Extension Officers for village and small scale industries in the N.E.S. and C.D. Blocks in their States. It is understood that these Extension Officers would be borne on the cadre of Industries Departments of State Governments. The Central Government will be prepared to bear 50 per cent of the expenditure on the salaries and allowances (excluding T.A.) of all these additional officers employed by the State Governments in the N.E.S. and C.D. Blocks. These Extension Officers (Industries) should be appointed, on probation, and sent on training. During the period of training also the Central Government would bear 50 per cent of the expenditure on salaries and allowances (excluding T.A.) of these officers.

3. I am to request that immediate steps may kindly be taken for recruitment of this additional staff as the integrated training course for one year arranged by the Small Industries Service Institutes of this Ministry and the Mahavidyalayas of the All India Khadi and Village Industries Board of these Extension Officers (Industries) will commence on the 15th November, 1956.

Yours faithfully,

(Sd.) P. K. Chakravarti
Deputy Secy. to the Govt. of India

Copy forwarded to:—

(1) Ministry of Community Development, 9, Jor Bagh, New Delhi. (40 Copies).

(2) Development Commissioner, (Small Scale Industries), 114, Sunder Nagar, New Delhi.

(3) The Joint Development Commissioner for Small Scale Industries, (Northern Region), 'Institute of Engineers Building', (Near Harding Bridge), Mathura Road, New Delhi.

(4) The Joint Development Commissioner for Small Scale Industries, (Eastern Region), 16, Theatre Road, Calcutta.

(5) The Joint Development Commissioner for Small Scale Industries (Western Region), 23, Yeshwant Niwas Road, Indore.

(6) The Inspecting Officer, C/o the Director, Small Industries Service Institute, 23, Nungambakkam High Road, Madras.

(7) The Director, Small Industries Service Institute, 23, Nungambakkam High Road, Madras.

(8) The Director, Small Industries Service Institute, 40-40A. Gowasjee Patel Street, Bombay.

(9) The Director, Small Industries Service Institute, 4, Camac Street, Calcutta.

(10) The Director, Small Industries Service Institute, 56, Sunder Nagar, New Delhi.

(Sd.) P. K. CHAKRAVARTI
Dy. Secy. to the Govt. of India

No. 2(3)/57-Prg.-II

GOVERNMENT OF INDIA

MINISTRY OF COMMUNITY DEVELOPMENT

New Delhi, the 19th November, 1957

To

The Development Commissioners,
(All State Governments).

SUBJECT—*Small Scale and Village Industries—Allocation for* 1958-59—25 *per cent of the total allocation.*

SIR,

I am directed to refer to the enclosed circular No. KEU-11(5)/57-Coord, dated the 12th October, 1957, of the Ministry of Commerce and Industry, on the above subject. Taking into consideration the not so satisfactory progress achieved so far in Pilot Projects and Community Development Blocks, the Ministry of Commerce and Industry have decided that for 1958-59 the total amount that will be required for the Community Development Blocks and Pilot Projects would even be more than 25 per cent of the total allocation for the Small Scale Industries for each State. That Ministry has desired the State Governments to take suitable steps to ensure that a minimum expenditure of 25 per cent of the total allocation for Small Scale Industries during 1958-59 is effected in the Pilot Projects and Community Development Blocks. This Ministry accordingly desires that suitable schemes from these areas are proposed and included among the schemes for small scale industries for 1958-59, to the extent of at least 25 per cent of the total allocation to the States. The model schemes supplied by the Small Scale Industries Board are likely to be too big to be undertaken in rural areas, it would be necessary for the State Governments to modify them according to local conditions on the lines suggested in the minimum programme for Cottage and Small Scale Industries approved by the Mussoorie Conference.

Receipt of the circular may kindly be acknowledged.

Yours faithfully,

(Sd.) G. V. S. MANI
Under Secy. to the Govt. of India

COPY TO:—

(1) Ministry of Commerce and Industry, New Delhi.

(2) Directors of Industries, (All State Governments).

(3) Joint Secretary (P).
(4) Director (T.P. & I.).

(Sd.) G. V. S. Mani
Under Secy. to the Govt. of India

No. KEU-11(5)/57-Coord.
GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY

New Delhi, the 12th October, 1957

To

The Chief Secretaries,
All State Governments.

SUBJECT—*Pilot Projects—Progress of establishment of small scale and village industries.*

SIR,

I am directed to refer to item 2, paras 5 and 6 of the minutes of the second meeting of the Coordination Committee of Small Industries held on 30th August, 1957 (copy enclosed).

2. The meeting of the Action Committee at centre held on 15th April, 1957 defining further the objectives and scope of pilot projects in the light of past one year's working and experience, felt that the pilot projects should endeavour to:—

(1) develop cottage and small scale industries in the pilot projects in a coordinated and integrated manner taking into consideration the various schemes of the six All India Boards;

(2) develop a pattern of industrial extension service, that would be necessary in undertaking a rural industrial programme in C.D. Blocks and N.E.S. areas;

(3) act as laboratories for controlled observations to find possible solutions to problems that have come up in the field of cottage and small scale industries;

(4) study the possibilities of planning for rural industries with people's participation;

(5) study the possibilities of developing markets for products of cottage industries locally with the participation of people and project staff;

(6) assess experiences of these pilot projects and make use of such experiences in the field of development of cottage and small scale industries in other C.D. Blocks and N.E.S. areas in the country.

The above objectives were approved at the conference of the Development Commissioners held at Mussoorie in April, 1957.

3. At the meeting of the Coordination Committee of Small Industries on the 30th August, 1957 it was stated that the progress achieved so far in pilot projects had not been satisfactory. Pending the reports of industrial potential surveys for drawing up comprehensive industrial plans for the development of these areas, only *ad-hoc* schemes have so far been undertaken in them. Even so, adequate funds have not been forthcoming for such schemes. The Ministry of Community Development had earmarked 15 per cent of the total allocation for each State towards expenditure on pilot projects and community development blocks in their letter No. 4-II (b)(20)/56, dated the 31st December, 1956. The State Governments could not, however, implement the recommendations because most of the funds had already been allocated for specific schemes included in the State plans for small industries the location of which had already been finalised. I am, accordingly, to request that the State Governments may please formulate their annual plans in future so as to ensure adequate funds for pilot projects and community development blocks.

4. With the increase in the number of community development blocks it is felt that the amount which would be required for such blocks and pilot projects in 1958-59 might be more than 25 per cent of the total allocation for the small scale industries for each State. I am, therefore, to invite your attention to the recommendations of the Coordination Committee and to request that, if no objection, suitable steps may please be taken to ensure a minimum expenditure of 25 per cent of the total allocation for small scale industries in pilot projects and community development blocks during 1957-58, and to ensure satisfactory progress in the development of small scale industries in those areas.

Yours faithfully,

(Sd.) A. ZAMAN
Joint Secy. to the Govt. of India

COPY TO:—

(1) Ministry of Community Development.

(2) Development Commissioner, Small Scale Industries with extra copy for Joint Development Commissioners.

(3) Development Commissioners, All State Governments with extra copies for Directors of Industries.

(Sd.) A. ZAMAN
Joint Secy. to the Govt. of India

L4MofCD—5,000—6-10-58—GIPF.